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Daily Report

East Asia

FBIS-EAS-95-223
Monday
20 November 1995

Daily Report
East Asia

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Indonesia's Suharto Arrives for APEC Summit

BK1811042195 Jakarta ANTARA in Indonesian 1655 GMT 17 Nov 95

[FBIS Translated Excerpt] Osaka, 17 Nov (ANTARA) — President Suharto arrived at the Kansai Airport in Osaka at 1840 local time on Friday to begin his visit to Japan to attend the APEC [Asia-Pacific Economic Cooperation] summit, scheduled to begin on 19 November.

The head of state, accompanied by Mrs. Tien Suharto, was welcomed on arrival by Indonesian Ambassador to Japan Wisber Luis; Foreign Minister Ali Alatas; Hartarto, coordinating minister for industries and trade; and other Indonesian officials.

The presidential entourage consists of Minister-State Secretary Murdiono, economic adviser Professor Wijoyo Nitisastro, and dozens of Indonesian journalists. [passage omitted on Suharto's itinerary]

More Comments on Clinton's Absence From APEC

Hashimoto 'Deeply Disappointed'

OW1711112595 Tokyo KYODO in English 1107 GMT 17 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 17 KYODO — International Trade and Industry Minister Ryutaro Hashimoto, apparently still upset over U.S. President Bill Clinton's cancellation of his trip to Japan, said Friday [17 November] the Asia-Pacific Economic Cooperation (APEC) forum does not have to hold a summit meeting every year.

Hashimoto, co-chairman of the APEC ministerial meeting which ended earlier in the day, said he personally believes the 18-member APEC should hold informal summitry only when it deems necessary.

He told a small group of reporters that Clinton's absence from Sunday's informal APEC summit and his cancellation of one-on-one meeting with Prime Minister Tomiichi Murayama "are damaging in many respects."

Referring specifically to the APEC dialogue, Hashimoto said Clinton's skipping of the informal summit came at a time when "the seeds that president Clinton himself planted in Seattle, bloomed in Bogor and were about to bear fruits in Osaka."

Hashimoto, while showing understanding for Clinton's decision to stay at home to deal with the domestic budget crisis, was understood to have been deeply disappointed by the President's decision not to come to Japan.

Hashimoto said he is looking forward to welcoming the President at an early date but expressed concern about a potential downgrading of the Okinawa base issue and other key bilateral matters which had been slated for discussion in Tokyo between Murayama and Clinton.

Vice President Al Gore will attend Sunday's APEC summit and a meeting in Osaka with Murayama in Clinton's place.

Hashimoto also said much effort is needed on both sides to minimize the damage from Clinton's cancellation of his trip to Japan, adding he is watching how much clout Gore can exercise as Clinton's stand-in while in Japan.

On Thursday, the minister told Japanese reporters that Clinton's absence from Sunday's informal APEC summit "is not good news at all for Japan-U.S. relations."

Minister Alatas Expresses Regret

BK1711091395 Jakarta ANTARA in Indonesian 0359 GMT 17 Nov 95

[FBIS Translated Excerpt] Osaka, 16 November (ANTARA) — Foreign Minister Ali Alatas expressed regret over U.S. President Bill Clinton's inability to attend the APEC [Asia Pacific Economic Cooperation] economic leaders meeting to be held in Osaka on Sunday, 19 November. However, the reason for his absence is understood.

Explaining to Indonesian reporters about the outcome of the first day of the APEC ministerial level meeting in Osaka, Japan on Thursday, the foreign minster said: "We can only express our regret. Nonetheless, we understand the reason."

President Bill Clinton canceled his trip to the APEC summit in Osaka because of the federal budget crisis, which has resulted in a political tug-of-war between the Republicans and the Democracts, of which he is leader.

Alatas said: "We understand the situation, and should he leave and not attend to the problem, then he will be criticized by the people." [passage omitted]

Keating: Absence 'Regrettable'

OW1811093195 Tokyo KYODO in English 0855 GMT 18 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 18 KYODO — Australian Prime Minister Paul Keating on Saturday [18 November] asked Japan to support an Australian proposal for creating a multilateral task force to study security in a nuclear-free world, Japanese officials said.

Keating, who is in Osaka to attend the third informal summit of the Asia-Pacific Economic Cooperation (APEC) forum on Sunday, made the request during a half-hour meeting with Japanese Prime Minister Tomiichi Murayama, the officials said.

Keating was quoted as saying that nuclear issues are currently being discussed in terms of countries having nuclear weapons versus those not having them.

But it is necessary to strive to reduce the possession of nuclear weapons globally, because failure to make such efforts will encourage some countries to newly acquire their own nuclear weapons, Keating was quoted as saying.

Earlier this month, Australia proposed launching an international research body to study how the security of all nations could be ensured in a nuclear-free world.

Murayama replied that Japan will study the proposal, according to the officials.

Murayama was quoted as expressing protest against the nuclear testing still conducted by China and France, describing it as extremely regrettable.

On President Bill Clinton's decision to skip the APEC summit due to the U.S. domestic budget crisis, Keating said the decision was regrettable, the officials said.

Keating then said it is very important to keep the United States in East Asia, the officials said.

On economic matters, Keating said the Osaka declaration to be released following the APEC summit is acceptable to APEC members.

He was quoted as saying Australia respects voluntary commitments which he hints will be included in the declaration. But he added that once a promise is made by APEC members, they should observe it.

As a means of stimulating business activities among APEC economies, Keating proposed issuing a special card for smoothing business trips within the area, the officials said.

Murayama replied he is aware that APEC members support such a proposal and it was referred to in the APEC action agenda for free trade and investment by 2020, the officials said.

But Murayama was quoted as saying it is not necessary to create a new organ within APEC for such a purpose.

Kono on APEC, Cancellation of Clinton Visit

OW1911142095 Tokyo FNN Television Network in Japanese 2239 GMT 18 Nov 95

[FBIS Editorial Report] Tokyo FNN Television Network at 2239 GMT on 18 November, during its regular Sunday talk show "News 2001," carries a 31-minute live interview with Foreign Minister Yohei Kono by regular program moderator Yuji Kuroiwa. Today's program is aired at a studio in Osaka, site of the Asia-Pacific Economic Cooperation [APEC] forum. Joining Kuroiwa is regular program commentator Kenichi Takemura.

Following a briefing on results of the APEC meeting to date, moderator Kuroiwa says APEC members seem to be trying to let China and Taiwan obtain a membership in the World Trade Organization [WTO] and asks Foreign Minister Kono if there is such a mood among APEC member nations. Kono answers: "There is an atmosphere within APEC to support Beijing's participation in the WTO because they believe that the participation of all APEC members in the WTO will lead to promoting talks among the APEC nations." Kuroiwa then asks whether Japan supports not only China's but also Taiwan's participation in the WTO. Kono answers: "Yes, we welcome their participation." But he says the APEC members' support for their participation will not be incorporated in the Osaka statement.

Asked if there were any behind-the-scene talks between the United States and China on Beijing's participation in the WTO, Kono says that there has already been discussion on this for the past six months.

Kono then comments on President Clinton's cancellation: "The cancellation of President Clinton's visit to Japan is regrettable for Japan; however, I do not think we should view the cancellation as having any great impact on the meeting."

Referring to Taiwan, Kuroiwa says that the Taiwan president's request to visit Japan was rejected and asks if it will become a political issue. Kono responds: "No, the APEC forum is an opportunity to discuss economic issues."

Returning again to President Clinton's cancellation, the moderator says there is a view that the President canceled his visit because he knew it would be difficult to obtain fruitful results at the Osaka meeting. Foreign Minister Kono says: "I think that is too speculative."

Kono then comments as to whether or not Prime Minister Murayama will convey his intentions to sign documents necessary to force unwilling landowners to continue leasing their land to U.S. forces on Okinawa by proxy at his talks with Vice President Gore. He says: "I have no idea. The prime minister will make a decision. I had been thinking that it is deeply meaningful that Japan-U.S. summit talks would be held on the occasion of the 50th anniversary of the end of World War II."

Kono then explains the difficult domestic situations facing the President and notes: "Given such situations, the cancellation of his trip was inevitable."

Taking up the military issues facing Okinawa, Kuroiwa asks Kono if the cancellation of his visit would further complicate issues. Kono says: "Issues concerning the Japan-U.S. security arrangement and Okinawa are serious questions, and the situation has developed. For that reason, it is good for those concerned with the issues to have certain conclusion at summit talks, and the Okinawa side must have been expecting the talks. However, it is truly regrettable that the talks did not materialize." Kono adds that Vice President Gore will hold talks with Murayama instead, and says: "I think various topics will be discussed at the summit talks between the prime minister and the Vice President. I think they will discuss the Okinawa issues, and I believe that a new consultation body between the two governments can emerge as a result of the talks." On the same issue, Takemura cites Clinton's remarks made in a recent interview with NHK, noting that the U.S. Government is taking into consideration the situation.

Kuroiwa then singles out the budget conflict between the Clinton Administration and Congress and asks Kono if the U.S. Government will take a domestic-oriented position. Kono responds: "I am a little concerned about this; however, the United States is a nation where democracy has taken root," noting that the situation is tough because of the upcoming presidential election. Kono goes on to say that a breakthrough will be found via discussions.

Commentator Takemura then quotes an INTERNATIONAL HERALD TRIBUNE editorial stating that "Japan-U.S. relations will be better thanks to the APEC forum." He then notes that "APEC will be beneficial for Japan in any case."

At 2254 GMT, following a commercial break, Kuroiwa asks what the APEC Osaka forum has so far achieved. Noting that the 18 APEC members have great diversity economically and socially, Kono stresses that it is important for them to compile each member's opinions through as much dialogue as possible . Then, Kono explains the objectives of the APEC forum. He says that, last year, APEC members spelled out a political declaration on achieving liberalization of trade and investment by the year 2010 and 2020. He adds that "this year is the first year that takes a first step toward the direction." Kono says: "Since the United States hosted the APEC conference in Seattle, liberalization and facilitation of trade and investment has been emphasized in APEC forums. However, when Australia first proposed setting up an APEC forum, the APEC's original objective was to promote cooperation among member nations. This time, Japan once again brought this original view to the discussion table."

Stating that U.S. Trade Representative Mickey Kantor was relatively quiet at the current APEC forum, commentator Takemura says the United States has come to understand that Asian countries are different from Western countries and that taking an aggressive stance is ineffective in the region. Kono says: "As I said earlier, APEC is not a venue for trade consultations or negotiations. As Mr. Takemura just said, the United States has come to notice the need to seek understanding at multilateral rather than bilateral talks." At this point Kono goes on to explain the intent of APEC ministerial and summit meetings.

Asked whether APEC will discuss security issues in the future, Kono suggests a negative response, stating that an APEC forum is supposed to discuss economic issues.

Kuroiwa notes that Japan needs to promote market-opening efforts at home to fulfill a leadership role among APEC members. In reply, Kono stresses that changing the Japanese economic system is a very important task. In conclusion, Kono shows his gratitude for Osaka city's cooperation in hosting the APEC forum. The interview ends at 2310 GMT.

ROK, Japan, U.S. Hold Tripartite Meeting

SK1711122795 Seoul MUNHWA ILBO in Korean 17 Nov 95 p 1

[Report by Yi Pyong-hon from Osaka, Japan]

[FBIS Translated Text] ROK Foreign Minister Kong No-myong, who is visiting Osaka, Japan to attend a meeting of the Asia-Pacific Economic Cooperation, held a tripartite meeting on 17 November with U.S. Secretary of State Warren Christopher and Japanese Foreign Minister Yohei Kono. The three ministers agreed to form an ROK- U.S.-Japan high-level policy council with assistant minister-level officials as chief delegates to closely coordinate the three countries' policies on North Korea. The ROK, U.S., and Japanese foreign ministers agreed to convene a high-level policy council meeting whenever the occasion demands and to hold the first meeting in Seoul in January 1996. Yi Chae-chun, first assistant foreign minister of the ROK; Winston Lord, U.S. assistant secretary of state for East Asian and Pacific Affairs; and Shunji Yanai, senior coordinator for foreign affairs of the Japanese Foreign Ministry, will attend the January meeting as chief delegates of the three countries.

During an informal meeting with reporters held on the afternoon of 17 November, Minister Kong surmised: "Now when North Korea is promoting improvements in relations with the United States and Japan over our shoulders, cooperation among the ROK, the United States, and Japan is needed more keenly than ever in making policies toward North Korea." He then stated:

"Accordingly, our side actively proposed the creation of a high-level policy council, and the United States and Japan agreed to it."

Meanwhile, U.S. President Bill Clinton made a phone call to President Kim Yong-sam on 16 November and stressed ROK-U.S. cooperation, saying: "I think it is necessary for the ROK and the United States to send a strong message to North Korea, based on ROK- U.S. alliance that is unshakable under any situation."

Issue Statement on Talks

SK1711090395 Seoul YONHAP in English 0852 GMT 17 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 17 (YONHAP) — South Korea, Japan and the United States Friday decided to maintain close consultations at the ministerial and senior official levels to further strengthen their trilateral cooperation to ensure peace and stability in Northeast Asia.

In a joint statement released at the end of a meeting of Foreign Ministers Kong No-myong of South Korea, Yohei Kono of Japan, and United States Secretary of State Warren Christopher, the three ministers also decided to hold the first senior-level meeting next February.

Currently attending the seventh annual Asia Pacific Economic Cooperation (APEC) forum in Osaka, they also agreed that their countries would continue to closely coordinate their policies toward North Korea in order to encourage the opening up of the communist country's dialogue with the international community and the improvement of inter-Korean relations.

The statement welcomed the progress made in implementing the agreed framework during its first year, particularly the upkeep of the nuclear freeze, but expressed concern over the delay in the two Koreas' dialogue.

Trilateral efforts by the three countries as well as continued concerted trilateral efforts in cooperation with other nations are essential to sucessfully implement the agreed framework, the ministers affirmed.

They also reasserted as being essential the continued presence and engagement of the U.S. military in ensuring peace, stability, and prosperity in the region.

Shimanouchi on Bilateral, Trialateral Meetings

OW1911013095 (Internet) MOFA APEC Official Home Page in English 18 Nov 95

[News conference by Ken Shimanouchi, deputy press secretary of the Ministry of Foreign Affairs, MOFA, with unidentified foreign correspondents in Osaka on the evening of 17 November]

[FBIS Transcribed Text]**I. Japan's Bilateral Meetings**

[MOFA Deputy Press Secretary Ken Shimanouchi] Good evening, ladies and gentlemen. I would like to welcome you to the MOFA briefing. In this briefing session I would like to give you a read-out on three bilateral meetings in which Minister for Foreign Affairs Yohei Kono participated this afternoon; or, to be exact, two bilateral meetings and one trilateral meeting.

II. Bilateral Meeting Between Minister for Foreign Affairs Yohei Kono and Minister of Foreign Affairs Qian Qichen of the People's Republic of China

I would like to start with the meeting he had with the Chinese foreign minister, Mr. Qian Qichen. In the meeting, basically four subjects were discussed: APEC [Asia-Pacific Economic Cooperation], Japan-China relations in the context of the Asia-Pacific, nuclear disarmament and other matters.

Regarding APEC, Mr. Kono thanked Mr. Qian for China's cooperation. He said that he was very glad that China and the United States were able to find common ground despite differences. In response to this, Mr. Qian paid tribute to the efforts made by the Chair. He said that now we must go forward based on these efforts. He said that the spirit of seeking consensus would be necessary.

Regarding Japan-China ties in the context of the Asia-Pacific, Minister Kono said that China was a major presence in conferences and meetings pertaining to economic matters. He said that dialogue in APEC and the ASEAN Regional Forum and other fora was important, that Japan-China ties were very important in that sense, in that context. With regard to perceptions of history, he said that the position of the Japanese Government was clearly stated in the statement made my Prime Minister Murayama on 15 August. He went on to say that it was necessary to make full use of correct perceptions of the past, in the future. He also referred to the Joint Japan-China Declaration and said that it was important to abide by this document.

In response to this, Mr. Qian said he agreed with the views of Mr. Kono. He said that China and Japan were playing an important role in Asia and in APEC. He said that cooperative and friendly ties between the two countries were essential for the maintenance and strengthening of peace and stability in Asia. With regard to perceptions of history, he said that it was true that there exist diverse views among the people but that it was important for the Government to exercise initiative on these matters. He said that it was particularly important for the Government to educate young people and students from a long-term perspective. He said that during President Jiang Zemin's visit to the Republic of Korea recently, there was a strong reaction in Korea and — this is my personal footnote — I think he was referring to a remark made in Japan. He said that although China conveyed its own views to Korea, it was not that they acted jointly. He said that he was looking to the future while praying for peace in northeast Asia.

Regarding nuclear disarmament and the issue of nuclear testing, Mr. Kono stated that we had just heard from New York that the First Committee of the United Nations had passed a resolution calling for the cessation of nuclear testing and that the resolution was passed with more than 90 countries voting in favor of it. He said he hoped China would face squarely the fact that the international community was seeking the cessation of nuclear testing. And he further said that he hoped China would make efforts not only with regard to the cessation of nuclear testing, but for the early conclusion of a Comprehensive Test Ban Treaty [CTBT], as well.

In response to this, Mr. Qian said that regarding the CTBT, the comprehensive test ban involved complicated issues; that, however, China was actively participating in the discussions, that they would be actively participating in the discussions. He said that it was necessary for everybody to make efforts so as to make the signing of the treaty by the end of 1996 possible.

On other issues, at the end of the meeting, Mr. Kono raised three points. First, he said that Japan supported China's reform and openness policy, that Japan had been taking a consistent position on Japan's yen loan for China, but at the same time, that the understanding, the support of the Japanese people was necessary. Secondly, he referred to the question of abandoned chemical weapons in China, chemical weapons which the Japanese military is said to have abandoned at the end of the war. He said that he would make responsible efforts for resolving this problem. Thirdly, he referred to the publication by China a few days ago — I think it was the 16th — of a white paper on nuclear arms control and disarmament. He said that he appreciated this as something that enhanced transparency in the area of defense.

Finally, Mr. Qian thanked Mr. Kono for Japan's support of China's reform and openness policy, and he said that he was very glad that Japan was taking a responsible position with regard to the question of abandoned chemical weapons. That is the read-out of Mr. Kono's meeting with Mr. Qian Qichen.

III. Trilateral Meeting Among Minister for Foreign Affairs Yohei Kono and Minister of Foreign Affairs Kong No-myong of the Republic of Korea and Secretary of State Warren Christopher of the United States of America

Now I would like to go on to the trilateral meeting that was held among the Foreign Ministers of Japan, Korea and the United States. I think you have with you the Joint Statement issued by the three Foreign Ministers after the meeting. Do you have it? They met for about 45 minutes.

As you know, this was an initiative by Mr. Kong, the foreign minister of the Republic of Korea. At the outset, Mr. Kong explained the reason why he proposed this meeting, saying that peace and stability in Northeast Asia was important for our three countries, and that Korea, Japan and the United States played an important role in maintaining peace and stability in this part of the world. He said that therefore it was meaningful for the three countries, the three governments, to get together in a meeting like this.

In the meeting, they had free discussions on a broad range of subjects, including the situation in Northeast Asia in general, the relations between South and North Korea, the relations of the three countries with North Korea and North Korea's nuclear development program.

As is reflected in the text of the joint statement, Secretary Christopher said that a year ago at the APEC meeting in Bogor, the leaders of the three countries got together and that this meeting that we are having now was very meaningful. Eighteen months ago, North Korea's nuclear development program had emerged as a very difficult problem for the world, but since then we had been able to reach agreement — an agreed framework — between the United States and North Korea and we had been able to freeze North Korea's nuclear development program. Particularly with regard to the question of the Korean peninsula, the relations between the South and North were very important and this issue was an important element in the U.S.-North Korea Agreed Framework.

Mr. Kono stated that the three countries share common values. All three of us play important roles in northeast Asia. It's important to have North Korea act responsibly in the international community.

As you can see in the statement that came out of today's meeting, the three ministers agreed that it was necessary for us to have North Korea become more open to the international community and to promote dialogue with North Korea and that it was necessary for the three countries to coordinate their policies. More specifically, they agreed that they should hold more ministerial meetings like the one held today, and in the future, that meetings at the senior officials level should be held and that the first of such meetings should be held around January next year.

With regard to the North Korea's nuclear development program, the three countries agreed that as a result of the agreed framework, North Korea's nuclear development program remains frozen. They said that they agreed on the conversion by North Korea to light-water reactors, and with regard to this question that the three countries should work closely together and that the three countries, as the members of KEDO [the Korean Energy Development Organization], should make efforts to seek and gain the cooperation of other countries, as well. That is more or less the gist of what was discussed in the trilateral meeting this afternoon.

IV. Bilateral Meeting Between Minister for Foreign Affairs Yohei Kono and Minister for Foreign Affairs Andre Ouellet of Canada

Now for the bilateral meeting between Mr. Kono and Foreign Minister Ouellet of Canada. As you know, Prime Minister Jean Chretien was scheduled to visit Japan earlier this month, and for reasons that I think you are all aware of, he had to postpone this trip. Referring to this, Minister Kono said that the postponement, the prime minister's visit to Japan, was regrettable and that we should decide on a mutually convenient time as soon as possible.

Following this statement by Mr. Kono, the Canadian foreign minister made a detailed explanation of the Quebec referendum. In response to this, Mr. Kono said he fully understood.

Regarding the anti-terrorism summit scheduled to be held in Ottawa next month, Minister Ouellet said that no society in the world is completely safe. Therefore, it was important for us to fight terrorism together. Japan had had unfortunate experiences regarding terrorism recently. He said he believed that Japan had experiences in dealing with this matter and he sought Japan's participation in this Ministers' meeting. Mr. Kono said that if the situation in the Diet permitted, he would like to attend, together with the Chairman of the National Safety Commission.

Then they also discussed official development assistance. Minister Ouellet said that the linkage between ODA and military expenditures was important and that the Scandinavian countries and Australia and New Zealand have shown strong interest on this subject. He said he would like to cooperate, deal with this matter cooperating with Japan. Mr. Kono said that Japan had the four ODA principles and that Japan had keen interest in this Canadian initiative.

They discussed some United Nations matters. Foreign Minister Ouellet asked Mr. Kono for his views on the current situation regarding the restructuring of the Security Council. In response, Mr. Kono said that it was necessary to make efforts so that the reform of the Security Council does not lose momentum in this 50th anniversary year of the founding of the United Nations. He said that Japan would continue to make efforts for realizing Security Council reform, although the attention of many countries had shifted to the financial aspect given the very serious financial situation in the United Nations. That's about it. I would be very happy to answer any questions you may have.

V. Importance of the Trilateral Meeting

Q: Is the three nations' ministers meeting being contemplated in January being thought of as an accompaniment to the rescheduling of the Clinton visit to Japan?

A: Are you referring to the trilateral meeting?

Q: Right. That could happen in conjunction with the rescheduling of the Clinton visit to Japan?

A: We are contemplating a Senior Officials Meeting. We still have to work out the details. When we say senior officials, we mean sub-cabinet people. What I'm saying is that this meeting contemplated for around January is a working-level meeting, so it does not in any way replace a visit by President Clinton or anybody.

Q: I didn't mean replaced. Is it possible — we first heard that the visit would be rescheduled possibly sometime around April, now there's some possibility of its being rescheduled earlier than that. Is there some possibility of it being rescheduled in January?

A: Are you referring to President Clinton's visit? I think both sides are still working on it. I do not want to speculate on the time frame.

VI. Military Expenditures by the People's Republic of China

Q: What is your observations or any type of observations of MOFA on the question of the increase of military expenditures by China and its equipment nuclear observation program? According to the report of the U.S. Department of Defense, which they published in February, it said there were three or so other major outside standardizing factors for the security in East Asia. One of them is the increase of military expenditure, etc. But recently, Mr. Joseph Nye, as the assistant secretary of defense, who is supposed to be author of the report in

February, said the chairman is no longer for standardizing factors. What are the observations of the ministry on this question, particularly in connection with publications on arms control and disarmament, whatever was published recently in China (for which I do not yet have a summary)? In this connection, could you tell us the observations of your Ministry on this Chinese view, whatever?

A: Basically, what we see in China right now in the military area is an effort at the modernization of its military machine. However, we do think that in order to enhance the confidence of the countries in the region, it is necessary for China to give more transparency to its military policy and military activities. In this sense, we welcome the recent publication of the white paper on disarmament by China.

VII. Monetary Issues for the People's Republic of China

Q: Did Minister Kono have a talk with the Chinese Foreign Minister about the difficulty with the Chinese renminbi?

A: It was not discussed. It was a half an hour and they had a lot of ground to cover. That issue was not discussed. Thank you very much.

Bilateral Meetings Reported, Analyzed

Kono, Christopher Hold Talks

OW1811145395 (Internet) MOFA APEC Official Home Page in English 16 Nov 95

[News conference by Hiroshi Hashimoto, press secretary of the Ministry of Foreign Affairs [MOFA] with unidentified foreign reporters in Osaka on 16 November]

[FBIS Transcribed Text]**I. Japan-United States Foreign Ministerial Meeting**

[Unidentified official of the MOFA International Press Division] Good evening. So, let us begin this final briefing by our press secretary Mr. Hiroshi Hashimoto, on the meeting of Minister for Foreign Affairs Yohei Kono with the U.S. secretary of state Mr. Warren Christopher. Let me beforehand remind you that due to another obligation, Mr. Hashimoto has to leave at the latest 0010 [0310 GMT], so thank you for coming.

[MOFA Press Secretary Hiroshi Hashimoto] Good evening ladies and gentlemen. I am going to brief you on the Bilateral Ministerial Meeting between Japan and the United States with Minister Kono and Secretary Christopher. They talked about an hour after the short press availability. First of all they talked on the bilateral relationship. At first, Secretary Christopher once again expressed his regret that due to the unprecedented domestic crisis, Mr. Clinton had to postpone the visit. But, in the process of his deliberation, Mr. Christopher said that the president showed the importance he attaches to the bilateral relationship between the two countries, and he said we need to reschedule his visit. He said that the Japan-U.S. bilateral relationship is the most important bilateral relationship in the world. The Japan-U.S. alliance is a cornerstone of America's policy to the whole of Asia. And, the Japan-U.S. security relationship has a strategic importance, he said. And, Mr. Kono replied that the Japanese side would like to see Mr. Clinton's visit to Japan in the very near future. And, both sides agreed to work hard on this.

They talked about the meeting between Vice President Al Gore and Prime Minister Murayama on Sunday [19 November]. Both sides have agreed to set the meeting on the 19th, after the end of the official schedules of APEC [the Asia-Pacific Economic Cooperation conference]. They talked about the possible agenda of the meeting. One is related to the Japan-United States security relationship, and between them it has been agreed that the two sides will seriously engage in the Okinawa issue. Mr. Murayama and Mr. Al Gore will reaffirm the agreement made between Dr. Perry and Mr. Kono on the establishment of a new consultation mechanism on the realignment and consolidation of the bases in Okinawa. And, after the official confirmation of the establishment of this mechanism, the actual consultations will promptly start. Other agenda of the talks between Mr. Murayama and Mr. Al Gore is the cooperation between the two countries. Mr. Christopher suggested that Mr. Al Gore would like to talk on the bilateral cooperation on the common agenda, and talk about how to strengthen the exchange of people between the two countries, especially how to strengthen the exchange of students between the two countries. Mr. Kono replied that Mr. Al Gore himself is a strong supporter of the common agenda, and therefore, the common agenda and exchange of students, and so on, will be a suitable subject to talk about at the meeting of Mr. Murayama and Mr. Al Gore.

And, they talked about three subjects related to international situations. One is related to the Korean Peninsula. Mr. Kono explained to Mr. Christopher that the bilateral relationship between Japan and Korea is difficult these days, and as for the perceptions of the history of Japan, the prime minister stated the official perceptions of the history on 15 August this year, and the Japanese position is well expressed in this statement. And, they talked about the necessity to strengthen cooperation between Japan, the United States and Korea. And, Mr. Christopher replied that there are many things in common among the three countries, and it is very appropriate to uphold the Tripartite Ministerial Meeting tomorrow. And, the U.S. side is ready to play a constructive role in this. Mr. Kono said that he looks forward to having the first meeting tomorrow and every now and then in future he would like to have this tripartite meeting.

They talked about the Bosnia-Herzegovina situation. Mr. Christopher came to Osaka right from Ohio and Mr. Christopher briefed Mr. Kono on the negotiation points related to the national border, constitutional structure, cease-fire, the issue of the Federation Agreement between Croats and Serbs in Eastern Slovenia, etc. And at the same time, the reconstruction program will play an important role in bringing about peace to Bosnia-Herzegovina and Mr. Christopher asked the active and positive participation of Japan in this reconstruction program. Mr. Kono replied that Japan is now in a position to contribute to international cause, as for Bosnia-Herzegovina, Japan needs to be informed fully on the development of the peace process. As for the reconstruction program, Japan would like to study to what extent and how Japan can participate in this. Mr. Kono went on to say that if the European countries want Japan to be involved in the reconstruction of Bosnia-Herzegovina, the Japanese side would like to say that KEDO [the Korean Energy Development Organization] is playing a very important role for the stability of the Korean peninsula and the European countries should be involved more in the KEDO operations. Mr. Christopher said the Japanese position is fair enough.

Lastly, they talked about the upcoming Ministerial Meeting of eight countries on terrorism. Mr. Christopher said that the Clinton Administration considers the meeting very important. Mr. Kono said that the Japanese is not in a position to keep itself aloof from this issue and they agreed to study the possibility how they can further cooperate on this subject. I think that's about all. If you have any questions, I'm ready to answer.

II. Support for KEDO

Q: What you just said about KEDO. Do I understand Mr. Kono to be saying that if Europe wants Japan to help pay for Yugoslavian reconstruction, Europe should help pay for the North Korean Nuclear Bureau? Is that the gist of what Mr. Kono is saying?

A: That is more or less what Mr. Kono said. Once the European countries want the Japanese involvement in this, it is legitimate for Japan to ask the European countries to be involved in the KEDO activities. Thank you. Yes, please.

III. Flexibility Principle

Q: May I ask a question about APEC? I understand that someone in Japan — maybe Minister Kono — mentioned that the flexibility principle applies to pace and modalities and I'm wondering if you can explain what that actually means.

A: Fortunately, the ministers today could agree on the draft Action Agenda, and this Agenda will be fully reported to the Leaders, and we hope that the Leaders will endorse the document; this is one thing. In this sense, you'll be in the position to read the document soon and if you read the document, you will understand correctly what we mean; for example, the principle of comprehensiveness and the issue of flexibility. What I can tell you now is that many members have hesitation to start defining the terms used in the document, because APEC is not based on the so-called international agreements. This is not legally binding, but this is politically binding and as I explained to you the other day in this room, that this Action Agenda is on how to implement the goals of liberalization and facilitation of trade and investment. As for this, there are two ways. One is the long term goals for liberalization and facilitation by 2010/2020, but it's a long term objective. What the members actually are going to do is that first of all, they will announce the initial actions, which the APEC members can take now for liberalization and facilitation. The other thing is that immediately after the Osaka APEC Meeting, they will start preparing the Action Plans and the Action Plans are of a rolling nature and they cover the medium and near term measures. So, every year, these liberalization efforts are reviewed and consulted and upgraded and so on. In this sense, this way is very unique. So, rather than talking about what should be free trade or investment in 2010/2020 — rather than define the term of free trade and so on — while we are aiming at free trade and investment by 2010/2020, we will take very concrete and tangible measures for the immediate and the near and the medium term. That's what I'd like to explain to you. But when you read the document, I think you can understand it. But, if you think that this is very vague and it will not mean anything, then I think your interpretations will be completely wrong. I hope you can understand the essence of APEC; where the countries, not only the Governments, but also the business sector itself are very energetic and enthusiastic about liberalization and facilitation. They are very eager for further developing and that dynamism exists and the role of the government is how to encourage this dynamism. Yes, please.

IV. Areas of Discussion in APEC

Q: Did the Ministers discuss whether APEC should be expanded to the security realm, as has been suggested by U.S. Defense Secretary Perry?

A: Neither Mr. Christopher nor Mr. Kono talked about the subject because those two gentlemen clearly know that APEC is dealing with economic and trade matters. As for the security matters, for the time being, it is handled by the ASEAN Regional Forum. But, while we have the annual Ministerial Meeting of course separately, at any bilateral meeting, they can freely talk on the other aspect including the security. In any case, this time they did not talk about that sort of regional security issue. All right, can I close the briefing? Thank you very much.

ROK President, Australia's Keating

*SK1711104495 Seoul YONHAP in English
0829 GMT 17 Nov 95*

[FBIS Transcribed Text] Osaka, Nov. 17 (YONHAP) — South Korean President Kim Yong-sam and Australian Prime Minister Paul Keating held a summit meeting here Friday afternoon and agreed to increase practical and cooperative bilateral relations in the international arena.

The two leaders are presently visiting the Japanese city to attend the Asia-Pacific Economic Cooperation (APEC) conference.

Expressing satisfaction with the remarkable development of their two countries' human exchange, trade, and investment, both heads of state agreed to positively promote their cooperation for industrial technology and in the fields of natural resources and energy.

They also comprehensively discussed the latest developments on the Korean peninsula, including the internal affairs of North Korea. In particular, Keating touched on his country's diplomacy with Pyongyang, saying that Canberra will seek improved relations with Pyongyang on the basis of any progress in inter-Korean relations.

President Kim pointed out that particular consideration is needed to be given to diverse cultures, traditions, and economies of APEC countries in discussing agricultural market opening.

Prime Minister Keating also proposed the introduction of the "APEC business travel card" in place of an entry visa to promote exchange programs for businessmen in the Asia-Pacific region.

For his part, President Kim welcomed Keating's proposal and suggested that the issue be discussed with the relevant organizations of APEC.

On Saturday, President Kim is scheduled to hold a conference with Japanese Prime Minister Tomiich Murayama to discuss pending bilateral issues.

Murayama, ROK President Meet

*SK1811054995 Seoul YONHAP in English
0505 GMT 18 Nov 95*

[FBIS Transcribed Text] Osaka, Nov. 18 (YONHAP) — President Kim Yong-sam held a summit with Japanese Prime Minister Tomiichi Murayama at the Osaka mayor's official residence Saturday morning, exchanging views on Japanese historical perception of its past wrongdoings, Tokyo's relations with North Korea, and trade imbalance between the two countries.

The nearly-aborted meeting survived Monday after Takami Eto, Japan's management and coordination minister, resigned, taking responsibility for his controversial remarks that Japan "did some good things" during its 1910-45 colonial rule of Korea.

On a series of controversial remarks made by Japanese leaders, Kim told Murayama, "Future-oriented relations can be established only on the basis of looking at history straight. What counts is not expressions but an attitude trying to understand Koreans' sentiment and be frank about history," a presidential aide said.

"Humbleness and an attitude of accepting history as it was," Kim added, "are essential not only for Korea-Japan relations, but also for Japan itself."

In response, the Japanese leader was quoted by the source as saying, "Japan in the past inflicted great pains and grief on Korea and other countries through colonial rule and invasion. The Japanese humbly accept these historical facts and reflect themselves on them deeply... I express a heartfelt apology to the Korean people for the hurt they have recently sustained over the issue of historical perceptions."

Kim called on Japan to promote its relations with North Korea in such a direction conducive to the improvement of inter-Korean relations. Murayama promised to pursue such dialogue through close consultation with Seoul, the source said.

To remedy the trade imbalance between the two countries, Kim called for Japan to invest more in and expedite technology transfer to South Korea, whose trade deficit with its Japan [as received] stood at 12 billion U.S. dollars as of the end of September.

Murayama responded that deregulations being promoted by Tokyo would contribute toward boosting imports into his nation by South Korea.

Kim and Thai Prime Minister Banhan Sinlapa-acha are to meet Sunday afternoon to discuss ways of promoting further cooperative ties in taking advantage of the complementary nature of the two countries' economies. They are also expected to agree on positive cooperation for the success of an Asia-Europe summit conference slated for next year in Bangkok.

Suharto Seeks Japan's Help

OW1811082795 Tokyo KYODO in English
0726 GMT 18 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 18 KYODO — Indonesian President Suharto on Saturday [18 November] sought Japanese help in building a cultural center in his country as "a symbol of bilateral relationship," Japanese officials said.

Suharto made the request in a meeting with Prime Minister Tomiichi Murayama who said Japanese grant-in-aid usually applies only to medical goods and daily necessities, the officials said.

The Indonesian leader praised the ongoing Asia-Pacific Economic Cooperation (APEC) forum dialogue, saying it opens "a new page in the world history."

Suharto, whose country hosted last year's APEC ministerial and summit meetings, told Murayama that Indonesia is ready to support the decisions made thus far by the 18-member grouping since the 1994 Bogor Declaration.

Jiang, Philippines' Ramos Meet

OW1811055195 Tokyo NHK General Television
Network in Japanese 0300 GMT 18 Nov 95

[Announcer-read report; from "NHK News" program]

[FBIS Translated Text] Chinese President Jiang Zemin, who is currently visiting Osaka to attend the summit meeting of the APEC [Asia-Pacific Economic Cooperation] forum, met with Philippine President Fidel Ramos before noon today and discussed the most urgent bilateral concerns such as the sovereignty over the Spratly Islands and Taiwan issue.

The details of their meeting are not immediately available. However, President Ramos appears to have exchanged views with Jiang about the possibility of peacefully settling the dispute over the Spratly Islands through an international development of the islets. Tensions are currently high over the title to the islands, which are located in the South China Sea. Citing the closer relations between the Philippines and Taiwan in recent years, Jiang is believed to have stressed that Taiwan was one of Chinese provinces and urged the Philippines not to promote political ties with Taiwan.

Jiang, Ramos Agree on Measures

OW1811085095 Tokyo KYODO in English
0806 GMT 18 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 18 KYODO — Chinese President Jiang Zemin and Philippine President Fidel Ramos discussed the Spratly Islands dispute and other issues Saturday [18 November], a day before an informal summit of the Asia-Pacific Economic Cooperation (APEC) forum in Osaka.

Philippine officials said the two leaders agreed to closely work together to help implement confidence-building measures which the two countries agreed on at high-level consultations in Manila in August.

Jiang and Ramos were understood to have discussed joint development of marine resources in the disputed islands and related issues.

The Spratly Islands, which are believed to sit above extensive mineral and oil deposits, are claimed in whole or in part by China, Vietnam, the Philippines, Brunei, Malaysia and Taiwan.

Japan's Hashimoto Holds News Conference 16 Nov

OW1811143795 Internet) MOFA APEC Official Home Page in English 16 Nov 95

[News conference by Hiroshi Hashimoto, press secretary of the Ministry of Foreign Affairs [MOFA] with unidentified foreign reporters in Osaka on 16 November]

[FBIS Transcribed Text]**I. The Ministerial Meeting**

[Unidentified official of MOFA's International Press Division of the Ministry of Foreign Affairs] Good afternoon ladies and gentlemen. Welcome to the press briefing by Mr. Hiroshi Hashimoto, MOFA press secretary. He will brief you on the record on this morning's session of the ministerial meeting. For those among you who wish to ask questions, you are kindly requested to proceed to the microphone and state your name and agency before beginning the question. And could you cooperate with us to consider a limit of one question per person. Thank you for your kind cooperation. I have the pleasure to introduce Mr. Hashimoto.

[MOFA Press Secretary Hiroshi Hashimoto] Good afternoon ladies and gentlemen. I would like to brief you on the morning session of the ministerial meeting, which started at 0910 [0010 GMT]. I think you are familiar with the agenda. The formal greetings were delivered, and after that several procedural matters were discussed. They began to discuss the fourth agenda — meaning the Action Agenda. Dr. Bergsten, the chairman of the EPG [expansion unknown], made a report, and there were no discussions of the report.

After that the three co-chairmen of the Business Forum also made their respective reports to the Ministerial Meeting, and there was no discussion on these reports either.

After that, Foreign Minister Kono explained to his fellow colleagues the co-chairmen's draft of the Action Agenda. After that, each member started to present their own initial statement on the Action Agenda. In the morning, altogether, nine members stated their initial address. The afternoon session will start at 1400 [0500 GMT], and the remaining members will make their initial statements. On the basis of that, they will freely discuss and exchange views on the Action Agenda. Therefore, at this time of the day, we cannot tell you in detail how the discussions went. However, I would just like to briefly tell you what sort of issues were raised and discussed without naming who said what.

Some people said that APEC has entered into a new stage now at the Osaka Meeting — from the stage of vision to the stage of action. Also, there was the view that there were two extremes. One was the GATT type of negotiations, on the basis of reciprocity. The other extreme is that of completely voluntary measures. APEC should be between the two extremes and, the basis of the concerted manner, is important. The principle of comprehensiveness — the importance of this principle was touched on by many people. At the same time, many delegates considered the importance of flexibility in the process of implementing liberalization and facilitation.

Some people congratulated the Japanese chair for its leadership in preparing the Action Agenda. There are three pillars of the Action Agenda: liberalization, facilitation, and cooperation. Economic and technical cooperation is equally as important as trade facilitation and trade liberalization. There was a view that the involvement of the private sector is very important, and APEC [the Asia-Pacific Economic Cooperation conference] should endeavor to take measures for the benefit of private sector activities. There was a view about the importance of the principle of comparability. At the same time, the importance of consultations was emphasized. And, there was a view that the principle of nondiscrimination was also important. There was a view that the WTO [World Trade Organization] Ministerial Meeting in Singapore, which is scheduled to take place toward the end of next year, is important for the APEC members. The APEC Philippines meeting is expected to take place before the Singapore WTO Ministerial Meeting; therefore, the Action Plans which are predicted to be prepared by each APEC member for the Philippines Meeting are very important in this sense. This is roughly what the nine members of APEC discussed this morning. It is too premature for us to tell you whether this Action Agenda presented by the Chair will be adopted as is now. In any case, the remaining delegations will make their initial statements, and on the basis of that there will be a session for free exchange of views. Probably this evening we will be in a position to tell you a clearer picture of the discussions taking place at the Ministerial Meeting. Thank you very much. I am ready to take questions from you.

II. Cancellation of President Clinton's Trip to Japan

Q: Could you tell us how Japan feels about President Clinton's decision to cancel his trip to Japan? And will Vice President Gore visit Tokyo, or will he only go to Osaka?

A: Pesident Clinton directly telephoned Prime Minister Murayama. The prime minister said it was very regrettable that Mr. Clinton has had to postpone his visit to Japan. Minister Kono also said to the journalists outside the meeting room that it is regrettable that Mr. Clinton cannot make it this time. We understand that Mr. Clinton cannot come to Japan this time because of domestic issues. We understand the very difficult situations. Although it is regrettable that he cannot make it this time, we have to understand this. But as far as APEC is concerned, the ministers have been working very hard to prepare the Action Agenda, and I don't think the postponement of the visit of Mr. Clinton will negatively affect the preparations of the Action Agenda. Mr. Clinton was scheduled to attend the informal leaders meeting on the 19th. Probably, other APEC leaders also think it regrettable that Mr. Clinton cannot make it. We understand that Mr. Al Gore is a very able and powerful politician, and Mr. Clinton trusts Mr. Al Gore, and we are sure that Vice President Gore will fully represent the American side, and the APEC informal leaders meeting will be a success in this sense.

III. Regional Security and Bilateral Defense Cooperation

Q: The original intentions for both leaders, from Japan and the United States — they have already planned to have some discussions on regional security and bilateral defEnse cooperation during their bilateral summit. So now, President Clinton canceled the meeting, will there be any impact on discussions in this area?

A: As you rightly pointed out, both the Murayama Government and the Clinton Administration have been endeavoring to produce a joint document on the Japan-U.S. security relationship when Mr. Clinton comes to Japan. But now that Mr. Clinton cannot make it, we will have to think differently. For the time being what I can say is that the joint paper will be issued some other time, but probably when Mr. Clinton can come to Japan next time.

IV. APEC and regional security

Q: Mr. Perry expressed recently the new concept of the role of APEC in the field of regional security. Is APEC supposed to discuss this matter in Osaka?

A: APEC is dealing with economic and trade matters. APEC is not dealing with security matters, so the question you raised will not be touched upon by the ministers here. But when Mr. Al Gore comes to Japan — we are now arranging it — I think there will be a meeting between Mr. Murayama and Mr. Al Gore, and they will touch on the various aspects of the bilateral relationship, including the security relationship. But if you talk about the establishment of the new consultations mechanism, between Japan and the United States, on the realignment and consolidation of bases in Okinawa, basically this was already agreed on when Dr. Perry visited Japan the other day. So, I think when Mr. Al Gore comes to Japan and consults with Mr. Murayama, I think they will talk on this issue, and I'm sure that this consultation mechanism will be established then. Thank you. Yes, please.

V. Comprehensive agreement on trade and investment liberalization

Q: The Australian Foreign Minister Gareth Evans has been quoted in Reuters as saying that all the APEC nations have resolved all the issues that have split them and have formed from them a comprehensive agreement on liberalizing trade and investment. Can you comment on that report?

A: Once all the APEC delegates are going to make their statements, I'm afraid that I should not make any prediction here. But we sincerely hope that the principle of comprehensiveness, together with other principles, will be agreed upon at the Ministerial Meeting. Yes, please.

VI. Security Alliance Discussions

Q: If the document on the Security Alliance that was being prepared — if that's not going to be released at the time that Mr. Gore meets Mr. Murayama (but they are going to touch on the Security Alliance in some kind of a statement), what does that mean in terms of the meeting between Mr. Gore and Mr. Murayama for speaking to the people of the two countries about the importance or meaning or reason for the Security Alliance?

A: Do you recall that when Mr. Murayama and Mr. Clinton met last January, they talked about the importance of the Security Alliance between the two countries? Mr. Murayama and Mr. Clinton had been fully committed to this issue, so it is natural that both gentlemen would like to meet and discuss this matter and issue this important document. But, it will not diminish the need to stress the importance of the Alliance now, although we will not be in a position to issue the joint document. So, when Mr. Al Gore comes to Japan, Mr. Murayama and Mr. Al Gore presumably will touch on the subject, and will tell to the public the importance of the alliance, because both the general public in the United States and Japan are interested in this security issue.

VII. Vice President Gore's Trip to Japan

Q: Is Gore going to go to Tokyo, or is the meeting going to take place here? Also, when are Murayama and Clinton going to meet, if it's been rescheduled yet?

A: At first, as Mr. Al Gore's visit to Japan is concerned, now the relevant people are communicating with each other. We have not yet worked out Mr. Al Gore's itinerary yet, so we don't know what time, when he will come to Japan. As for Mr. Clinton's visit to Japan in the future, the Japanese side would like to see it happen in the very near future. That's what we can say now. The next visit has not been fixed at this moment. Yes, please.

VIII. Future U.S. Role in APEC

Q: I wonder, last year in Jakarta, the Republican Party's victory in Congress was a key question asked by reporters when Mr. Clinton attended the summit in Bogor in Jakarta. Japan and the United States are key members of APEC. Do you have any views on the impact of future U.S. influence in APEC leadership, looking on to Manila and past?

A: Well, we highly appreciate the initiatives taken by Mr. Clinton in holding the leaders meeting. We are going to have the third consecutive meeting of this level. We are sure that Mr. Clinton will continue to have the policy of engagement in the Asia- Pacific region. Simply because of the domestic problems, he can't come to the Asia-Pacific region. We can't interpret this as a change of policy of the Clinton Administration. I don't know what will happen to the next possible informal leadership meeting, but we are confident that the postponement of his visit will not mean that the change of the policy of Mr. Clinton — will not mean that Japan and the United States cannot cooperate in the future in this region. Yes, please.

IX. Regional Security and the People's Republic of China

Q: Japan's original intentions to discuss regional security with the United States has infuriated China, and Chinese officials said that this demonstrates the aggressiveness of Japan. Can you react on the comment of Chinese officials?

A: I am not aware of the comments of the Chinese officials on this particular question, so I am not authorized to say anything on this. However, in general, I can tell you that the stable relationship between Japan and the United States contributes to the stability and prosperity of the Asia-Pacific region. The bilateral relationship between Japan and the United States is based on the firm commitment to the alliance between the two countries, so the reaffirmation and reconfirmation of the importance of the alliance will be understood by the countries and peoples in the Asia-Pacific region, including China.

X. Acceptance of New APEC Members

Q: Maybe the conference in Osaka will be the last before the moratorium on acceptance of new members to APEC expires in the next year. Are Ministers supposed to discuss some questions related to the possibility of acceptance of some new nations to APEC?

A: Tomorrow, the ministers will talk about the participation issues, but last night when the ministers had the informal occasion, they talked on this issue. They didn't reach an agreement as far as full membership to APEC is concerned, this time. At Osaka, this issue will not be touched on; however, they are going to touch on the non-membership participation, in the working group activities. Probably, they will show some kind of criteria on this particular subject. Thank you very much.

XI. U.S. Policy toward APEC

Q: You've indicated that you don't believe there's a change in U.S. Government policy towards APEC, the Asia-Pacific. However, are you concerned the Japanese people might perceive this as diminished interest in Japan and Asia, or unwillingness to deal with the bases — the U.S. forces issue here?

A: I don't think the Japanese general public will express a particular concern. Probably, they will show some sympathy, because it is purely related to Mr. Clinton's domestic issue. There is no secret about this. Therefore, I think we, the Japanese, Asian people, fully understand the difficulties, and we would like to see him come to Japan in the near future. I'm terribly sorry, but at 1400 [0500 GMT] the ministerial meeting will start.

XII. Japan's Leadership in APEC

Q: Will Japan have to take an even greater share of the leadership in APEC, and in this summit, if Mr. Clinton is not coming?

A: If you talk about the preparations of the Action Agenda, we hope — and I am optimistic about the successful preparation of the document. I consider that the Japanese leadership contributed to the preparations of the document. But, as far as the leaders meeting is concerned, independent of the successful preparations of the Action Agenda, there are lots of items or topics which the leaders can talk about. I think that many members feel it regretful that Mr. Clinton cannot come this time. Well, it's unfortunate, but I'm sure that those APEC members will welcome Mr. Al Gore to participate in the informal leaders meeting. Well, thank you very much. If you don't mind, may I close this.

APEC Ministers Agree to 'Partners for Progress'

BK1811070595 Bangkok BANGKOK POST in English 18 Nov 95 p 17

[Report by Nutsara Thaithawat]

[FBIS Transcribed Text] Ministers of the Asia Pacific Economic Cooperation [APEC] forum yesterday agreed to Japan's proposal to set up a new mechanism for technical and economic cooperation to help member economies liberalise by the target dates of 2010 and 2020.

"Partners for Progress" is founded on mutual assistance. Although it is open to all areas of economic and technical cooperation, it focuses on liberalisation and smoothing of trade and investment.

It also aims to reduce economic disparities among the 18 member economies and to help raise social well-being.

According to an outline of the mechanism made public in Osaka, Partners for Progress will use existing APEC structures. Any of the member economies can propose a project to one of APEC's 10 working groups or forums for discussion. They can choose whether to participate.

Once the project is formulated, it is submitted to the Budget and Administration Committee and to the Senior Officials' Meeting for approval. Funds for the projects will come from both official and private sector contributions from within and outside APEC.

The APEC Secretariat in Singapore will be kept informed about the projects under Partners for Progress, to promote transparency and avoid duplication.

A senior Japanese official close to the APEC preparations — 150 meetings were held leading up to this week's summit — had earlier complained that the United States had strongly opposed the initiative.

The United States was only interested in liberalisation and smoothing of trade and investment and did not want to turn the APEC forum into another donor organisation, the official had said.

The joint statement issued after two days of talks ended yesterday reaffirmed the three pillars of APEC — liberalisation, facilitation and cooperation — and they were complementary and of equal significance.

Malyasia Urges APEC To Exclude Nonmembers

BK1711090095 Kuala Lumpur THE STAR in English 17 Nov 95

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Osaka: Malaysia has asked Apec [Asia Pacific Economic Cooperation] to go by the book and shut the door to non-Asia Pacific countries seeking to participate in Apec working groups.

International Trade and Industry Minister Datuk Sri Rafidah Aziz said Kuala Lumpur did not want to see Apec opening the working groups to countries which had nothing to do with the Asia-Pacific region.

"I raised this matter during an informal meeting with the ministers, as we do not want to see any favouritism or display of political inclinations in accepting this or that economy," she said.

"I am saying this because there are applications now from Israel and India to participate in the working groups. So, if we want to talk Asia-Pacific, let's be specific as we have very specific guidelines on this."

Rafidah said Apec could not involve countries which had nothing to do with the Asia-Pacific, and the forum had to be realistic in handling applications from nonmembers.

On the question of Apec membership, she said Malaysia had asked Apec senior officials to start vetting new applicants for membership although the three-year moratorium on new membership would only expire at the end of next year.

Meanwhile, US President Bill Clinton's decision to skip the Apec informal leaders' meeting here on Sunday caused ripples at the forum yesterday.

While Apec ministers expressed regret that Clinton would miss the historic event where leaders would announce the agenda for trade liberalisation, the Japanese media appeared more devastated than anyone else. TV stations and newspapers assigned their crews and reporters to go round getting reactions from foreign journalists at the media centre on how they felt about Clinton's absence.

Taiwan on Becoming 'More Active' in APEC

OW1811022595 Taipei CNA in English 0157 GMT 18 Nov 95

[By C.H. Lee and Flor Wang]

[FBIS Transcribed Text] Osaka, Nov. 17 (CNA) — C.F. Ku, the ROC's [Republic of China's] representative to the Osaka summit meeting of the Asia-Pacific Economic Cooperation forum, said here Friday [17 November] that Taiwan is willing to become a more active contributor to the group, as Taiwan's developing economy can play a role as "middleman" between developed and undeveloped APEC member states.

Ku made the remarks after arriving in Osaka Friday evening.

Ku, a senior adviser to ROC President Li Teng-hui and one of Council for Economic Planning and Development commissioners, will take part in the annual APEC summit meeting here Sunday on behalf of Li.

As attending APEC leaders will sign a trade liberalization action plan at Sunday's meeting, Ku said he will express Taiwan's support of the group's determination to achieve the goal.

While expressing regret over Li's absence, Ku pointed out that the ROC Government will push for Li's presence at next year's gathering. Ku also denied reports that he will deliver a letter written by President Li to Japanese Prime Minister Tomiichi Murayama.

Ku noted that he plans to hold separate bilateral talks with other leaders of APEC member nations to discuss issues of mutual concern.

He ruled out the possibility, however, of holding official talks with mainland Chinese President Jiang Zemin. But he said that he might propose to Jiang that the suspended technical talks between Taiwan and Mainland China be resumed at the earliest possible date.

The resumption of the institutionalized cross-strait negotiations, Ku said, would help the two sides mend the current strained relations, which hit a low after president Li paid an unofficial visit to the United States early this summer.

Ku, also the chairman of Taipei's Straits Exchange Foundation, expressed hope that cross-strait issues can be "resolved by peaceful means," which he said is important if the two sides want to further economic and cultural exchanges.

Ku, in his capacity as SEF chairman, held the first cross-strait talks in 40 years with his mainland counterpart, Wang Daohan, of Beijing's Association for Relations Across the Taiwan Strait, in Singapore in 1993.

However, the scheduled follow-up technical talks to the first Ku-Wang meeting were unilaterally severed by Beijing in August after Li's visit to the U.S. in June.

ASEAN Ministers Set Free Trade Area Target

BK1811095095 Kuala Lumpur Voice of Malaysia in English 0810 GMT 18 Nov 95

[Station commentary]

[FBIS Transcribed Text] Once again, the ASEAN countries have demonstrated their unity and consensus by deciding to bring forward the establishment of the ASEAN Free Trade Area, AFTA, to the year 2000. The decision, made among ASEAN economic ministers at the APEC [Asia-Pacific Economic Cooperation] ministerial meeting in Osaka, Japan, reflects the eagerness of member nations to speed up regional economic integration.

This is the third time that AFTA timetable has been brought forward. When first proposed, it was supposed to have been established by the 2008. But with the individual countries making stride in tariff reduction exercises, the prospect of a single and free regional ASEAN market is all the more brighter.

The decision will be endorsed by the ASEAN leaders' summit in Bangkok in December. However, what is most encouraging is the sensitivity due to the differing economic levels of development in various countries.

To [?overcome] the differences, the ministers decided that AFTA be accelerated on the basis on best endeavor. This means that countries will try their best to liberalize their economy completely by the year 2000. But it should be pointed out here that no country will be forced to do so. They will have to do it based on their capability. Flexibility is the cornerstone of ASEAN endeavor to create a regional market. Vietnam, the newest member, has been given more time to join AFTA given that its economy needs time to catch up.

What is encouraging to note at this stage is that all member countries have made great stride in reducing tariffs. It clearly shows that ASEAN is well on its way of realizing a common market — a proposal which the prophet of doom once claimed was as overly ambitious and sure to fail. No doubt there were obstacles and there would be more, but a commitment towards a single market has been the overriding force behind the great advances made by the grouping on the economic front.

As a single market, it can attract foreign investment given that its major attractiveness would surely be its combined market of more than 350 million people. By the year 2000, the countries would have been at an advanced stage of liberalization. By then, 88 percent of tariff lines or items in ASEAN countries would be at the zero to five percent level.

Of course, there will be hitches, but economic ministers are working toward setting up a dispute mechanism to deal with such problems that may arise. The current development suggests that there should be little trouble obtaining the year 2003 target. ASEAN has come a long way with ultimate goal is to create an ASEAN Ten. This means including Laos, Cambodia, and Myanmar [Burma].

Although it might be difficult now, there will come a time when a family of ASEAN will include a wholesome and successful community of 10 nations.

APEC Ministers, Businesses Seek Cooperation

OW1811124295 Tokyo KYODO in English 1130 GMT 18 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 18 KYODO — Most government ministers and business leaders from members of the Asia-Pacific Economic Cooperation (APEC) forum agreed on the importance of cooperation between the public and private sectors at a business group-sponsored symposium Saturday [18 November].

They shared the view that such cooperation is important for APEC goals of economic development and liberalization of trade and investment in the region.

The symposium was held at an Osaka hotel by two regional private- sector economic groups — the Pacific Economic Cooperation Conference and the Pacific Basin Economic Council — to reflect private-sector views in discussions at the forum.

APEC ministers are now gathering in this western Japan city for the forum's annual meetings.

At the symposium, Gary Tooker, vice chairman of Motorola Inc. of the United States, welcomed the action agenda agreed by APEC ministers for a framework for the forum's long-term goal of liberalizing regional trade and investment by 2020.

The action agenda will help the public and private sectors strengthen their partnership, he said.

Japanese Foreign Minister Yohei Kono told the symposium that support from businesses is very important because they are the driving force for regional economic development.

C. Fred Bergsten, chairman of the APEC policy guiding eminent persons group, called on APEC member governments to take the initiative to achieve trade and investment liberalization by the targeted date. Bergsten is director of the Institute for International Economics in Washington.

Japan's Murayama Interviewed on APEC Issues

BK2011122695 Jakarta KOMPAS in Indonesian 20 Nov 95

["Excerpts" of interview with Japanese Prime Minister Tomiichi Murayama by unidentified KOMPAS correspondent in Osaka on 18 November — received via Internet]

[FBIS Translated Text] [KOMPAS] Developing countries grouped in APEC [Asia-Pacific Economic Cooperation] are concerned that developed countries will take advantage of them. What do you think? As host and one of the developed countries grouped in APEC, what will Japan do to ensure that developing and small countries are not taken advantage of?

[Murayama] APEC aims to create a more open economic system through a free flow of goods, services, and capital in the Asia- Pacific region. Such a free flow will create prosperity in the region. The Bogor Declaration, adopted by APEC economic leaders at their meeting in Bogor, Indonesia, last year under the chairmanship of President Suharto stipulated a long-term goal and target, namely trade and investment liberalization in 2010 for developed countries and in 2020 for developing countries. The process of achieving this target is important because it will strongly involve economic activities in the region, establish a more efficient economic system for the entire region, expand trade, create new jobs, and bring about better living standards.

I am personally aware of the importance of the current meeting in Osaka, during which we must move to achieve the targets and objectives of the Bogor Declaration. As host this year, Japan is doing its best to prepare the Osaka meeting agenda — an Action Agenda which has considerable substance.

In the context of developing countries, another important issue in addition to economic and technical cooperation is trade and investment liberalization aimed at reducing economic disparity in the Asia-Pacific and strengthening regional economic vitality. To achieve this objective, Japan has proposed setting up a mechanism called Partners for Progress in Bogor last year, which will be unveiled in Osaka along with the Action Agenda. As such, APEC will be able to exert more ambitious efforts in response to regional development issues, such as human resources development and technology transfer.

[KOMPAS] Singapore issued a statement that Japan is ready to liberalize its trade, especially in the agricultural sector. What is your comment on this issue? Other statements said Japan is not ready to liberalize its trade, especially in the agriculture and livestock sectors, because Japan must protect its interests.

[Murayama] There is a consensus among all APEC members that certain sectors must have comprehensive liberalization. Japan is now considering this comprehensive aspect as an important element in the liberalization process. Japan also believes that the liberalization target must eventually include all sectors including agriculture.

At the same time, Japan also attaches importance to a realistic and flexible approach in sectors which create difficulties for member countries. Right now, final discussions on the issue are still under way and this year, Japan is determined to show its leadership by formulating an Action Agenda with concrete contents and substance. I believe this will eventually produce an Action Agenda acceptable to all APEC economic leaders.

[KOMPAS] It was decided in Bogor last year that all developed countries will implement trade liberalization in 2020, and developing countries in 2010. However, there are reports that Japan, South Korea, and Taiwan will delay their commitment to trade liberalization by five years, namely in 2015. What is your comment on this issue?

[Murayama] At the Bogor meeting, APEC leaders made a political commitment to liberalize trade and investment in the Asia-Pacific in 2010 for industrialized countries and in 2020 for developing countries.

It is true Japan has made a serious political commitment to the Bogor Declaration, but at the same time, Japan has also consistently attached great importance to taking a realistic and flexible approach in sectors which will create difficulties for APEC member countries. I would like to explain here that Japan has never submitted a proposal calling for a delay of the trade liberalization from 2010 to 2015.

As chairman of this year's meeting, Japan has on many occasions tried to show its leadership in formulating an Action Agenda which will contain substantial issues so as to give substance to the Bogor Declaration.

[KOMPAS] What do you think of the East Asia Pacific Caucus (EAEC) proposed by Malaysian Prime Minister

Dr. Mahathir Mohamed? It seems that Japan supports the proposal, but dares not push it forward after the U.S. rejection. Could you give more details?

[Murayama] We have been briefed by ASEAN leaders that the ASEAN- sponsored EAEC is included in the APEC framework and will not draw a dividing line across the Pacific Ocean. The fact is that regional cooperation in the Asia-Pacific, especially within APEC, has flourished since last year. Japan believes that it must adopt a more careful stand in any development which may cause a rift within APEC. I am aware that ASEAN has taken steps to enable them to understand the views of the countries concerned. We also believe that, out of respect to EAEC, there is still a great need to gain the understanding of APEC's major economic powers. Right now, Japan is still studying the EAEC concept.

'Text' of Murayama's Dinner Speech Reported

OW1811111795 Tokyo KYODO in English
1053 GMT 18 Nov 95

["Full text" of speech by Japenese Prime Minister Tomiichi Murayama at dinner for leaders from APEC nations in Osaka on 18 November]

[FBIS Transcribed Text] Osaka, Nov. 18 KYODO — Table speech by Prime Minister Tomiichi Murayama at the leaders dinner hosted by Prime Minister Murayama (Nov. 18, 1995, Osaka)

Your excellencies, distinguished guests, ladies and gentlemen:

On behalf of the government and people of Japan, it is indeed a great pleasure to welcome you to Osaka on the eve of the APEC [Asia-Pacific Economic Cooperation] economic leaders meeting. Although this is not a working session, I would like, as host, to say a few words about APEC.

Even before that, however, I would like to express my heartfelt appreciation for your support earlier this year following the major earthquake here in the Hanshin-Awaji area. We are sincerely grateful, and I believe this APEC gathering is a major encouragement to the people who are working so hard to recover from this disastrous earthquake.

For hundreds of years, our host city of Osaka has thrived and grown as a free-spirited commercial center, and it is a very appropriate place for APEC, based on economic dynamism as it is, to meet. Because Osaka is also a center of the very tradition-steeped yet very lively Kansai cultural sphere, I hope you will take advantage of this opportunity to experience some of the diversity of Japanese life.

The Asia-Pacific of today is strikingly different from that of even just a few years ago, and it offers an uncertain post-Cold War world hope and promise for the future. Asia-Pacific development is also of historic significance in that it represents a departure from the old pattern of North-South relations between an affluent north and an impoverished south. I am confident that APEC — regional cooperation among diverse economies seeking to sustain their development — can serve as a new model of international cooperation.

Ever since accepting the mantle of the chairmanship of the APEC economic leaders meeting from President Suharto last year, I have been preoccupied with the question of how best to faithfully discharge the grave responsibility that we bear for preparing a road map for the actual implementation of the historic Bogor Declaration. Our answer, the action agenda that we are finalizing, is both a major step forward for concrete APEC action and the first page in a new chapter in Asia-Pacific history.

The job of drawing up a substantive action agenda responsive to the diverse concerns of APEC's membership has been a very trying one for Japan as chair. It was, however, also a very rewarding experience giving us new confidence and satisfaction about the future because we know that this effort to draft an action agenda broader than even the Uruguay Round was backed by all of our people's creativity, diligence, and vitality and by our determination to move forward in emphasizing market mechanisms, stimulating domestic industry, and taking other economic reform measures. I assure you Japan, for its part, is also working to reform its economic system to build an economy for the new era.

Given this background, the action agenda adheres to the unique Asia-Pacific way premised upon both voluntary initiative and collective action, and I believe this is the most realistic approach for steadily promoting liberalization in this diverse region. We know that promoting further liberalization will enhance economic efficiency and raise living standards throughout the region, and we are adamantly determined to move forward in achieving the goals we set ourselves in bogor.

Supporting liberalization and facilitation is also among economic and technical cooperation's primary aims, and I hope we can make active use of the partners for progress mechanism that Japan proposed, the focus for now being on economic and technical cooperation in such areas.

Japan has decided to contribute a total of up to 10 billion yen to the APEC central fund over the next several years in support of appropriate cooperative projects related to the liberalization and facilitation of trade and investment, including expediting the smooth implementation of the partners for progress mechanism. I hope the other APEC members will also contribute actively in this same spirit.

So far, I have talked about the significance of promoting liberalization and facilitation, yet our efforts must not be limited to these areas alone. Working to eliminate bottlenecks to economic development, APEC also has an important responsibility for attaining sustainable growth and equitable development. Only when our economic and technical cooperation is integrated with our efforts for liberalization and facilitation will APEC realize its full significance.

Looking ahead, the increased burden that the region's population growth and rapid economic development will put on the environment and on food and energy resources is a major concern not only for our region but for the entire world. I also believe we should discuss how best to deal with these issues to ensure that our prosperity is sustainable.

Likewise, knowing how much your support meant to us in our time of trouble, I think it is entirely appropriate that APEC address disaster-relief cooperation.

In closing, let me remind you that we have a global responsibility not to let the Asia-Pacific become an inward-looking trading bloc. [sentence as received] Among the main beneficiaries of the multilateral free-trading system and its firmest adherents, we must, in concert with the WTO, continue to proudly proclaim the principle of open regional cooperation.

Bright with promise, our future is also strewn with challenges, and the path before us will by no means be easy. Yet as I look around this room, I am inspired anew with the courage to meet the challenges ahead for APEC's future.

Trusting that we will have a successful meeting tomorrow, I would like to propose a toast to a brighter future for the Asia-Pacific region and to the continued health and happiness of everyone here today on this historic occasion.

'Full Text' of Osaka Declaration Issued

OW1911091995 Tokyo KYODO in English 0852 GMT 19 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 19 KYODO — The following is the full text of the Osaka Declaration issued at the end of Sunday's [19 November] meeting of leaders of the Asia-Pacific Economic Cooperation (APEC) forum.

APEC Economic Leaders' Declaration for Action

Osaka, Japan
November 19, 1995

1. We have gathered in Osaka to further advance the Asia-Pacific economic dynamism and sense of community. The Asia-Pacific is experiencing the most striking economic growth in the world and ever-increasing interdependence. It is a major contributor to global prosperity and stability.

We believe our economic reforms based on market-oriented mechanisms have unleashed our peoples' creativity and energy and enhanced the prosperity and living standards of our citizens in the region and the world as a whole. In the current climate in our vast and diverse Asia-Pacific region, APEC presents us with a golden opportunity for the 21st century. Through APEC we can harness, coordinate, and channel dynamic economic trends to our collective advantage.

2. At Blake Island we established the vision of a community of Asia-Pacific economies, and at Bogor we set a number of specific goals and objectives, including;

— Free and open trade and investment in the Asia-Pacific no later than 2010 in the case of industrialized economies and 2020 in the case of developing economies,

— Expansion and acceleration of trade and investment facilitation programs, and

— Intensified development cooperation to attain sustainable growth, equitable development, and national stability.

We have, with Osaka, entered the action phase in translating this vision and these goals into reality. Today we adopt the Osaka action agenda, the embodiment of our political will, to carry through our commitment at Bogor. We will implement the action agenda with unwavering resolve.

3. The Osaka action agenda is the template for future APEC work toward our common goals. It represents the three pillars of trade and investment liberalization, their facilitation, and economic and technical cooperation. Achieving sustained economic development throughout the APEC region depends on pursuing actions in each of these areas vigorously.

Reflecting the diverse character of APEC and the broad scope of our activities, we will achieve the long-term goal of free and open trade and investment in several ways. We will:

— Encourage and concert the evolving efforts of voluntary liberalization in the region,

— Take collective actions to advance our liberalization and facilitation objectives, and

— Stimulate and contribute to further momentum for global liberalization

4. We emphasize our resolute opposition to an inward-looking trading bloc that would divert from the pursuit of global free trade, and we commit ourselves to firmly maintaining open regional cooperation. We reaffirm our determination to see APEC take the lead in strengthening the open multilateral trading system. We trust that enlarged participation by APEC economies in the WTO [World Trade Organization] would facilitate greater regional cooperation. We will explore joint initiatives under the WTO, including preparations for the ministerial meeting in Singapore. Ensuring that APEC remains consistent with the WTO agreement, we will achieve trade and investment liberalization steadily and progressively.

Desiring that trade and economic tensions among APEC economies be resolved in a nonconfrontational manner, we are committed to finding ways of ameliorating trade friction. We agree on the desirability of an APEC dispute mediation service, without prejudice to rights and obligations under the WTO agreement and other international agreements.

5. In the action agenda we have agreed to a set of fundamental principles to guide the achievement of our liberalization and facilitation: comprehensiveness; WTO consistency; non- discrimination; transparency; standstill; simultaneous start, continuous process, and differentiated time tables; flexibility; and cooperation. We direct our ministers and officials to immediately begin the preparation of concrete and substantive action plans to be submitted to the 1996 ministerial meeting in the Philippines for assessment. Overall implementation of the action plans will begin in January 1997 and will be reviewed annually.

To assist in this process, we instruct our ministers and officials to engage in consultation in a collective effort of a confidence-building nature to facilitate exchanges of information, to ensure transparency, and to contribute toward attaining the comparability of respective action plans.

The action agenda may be revised and improved as necessary in response to changing circumstances. While we have chosen the unique approach of concerted liberalization grounded in voluntarism and collective initiatives by the member economies as the key means for implementing the action agenda, its success hinges upon our own continuing efforts, strong self- discipline, and close consultation.

6. Governed by the Osaka action agenda's principles of mutual respect and equality, mutual benefit and assistance, constructive and genuine partnership, and consensus building, we will promote action-oriented economic and technical cooperation in a wide range of areas. With the action agenda, APEC has gained renewed momentum and broader perspective for economic and technical cooperation.

Economic and technical cooperation implemented through various means including partners for progress serves to promote trade and investment liberalization and facilitation, to narrow the disparities within the region, and to achieve growth and prosperity for the region as a whole. We will thus work through policy dialogue and joint activities to broaden and deepen intraregional cooperation in all areas of our interest.

At the ministerial level, valuable consultations have been held on macroeconomic, financial, exchange rate, and other policies regarding capital flows, capital market development, and infrastructure financing. We also commend the valuable contribution at the ministerial level in such fields as telecommunications and information industry, transportation, small and medium enterprises, and science and technology. We hope that they will continue their good efforts.

7. We are pleased to announce that each of us has brought a package of initial actions demonstrating our firm commitment to achieving liberalization and facilitation. These voluntary actions will spur and inspire APEC liberalization. They also represent the first wide-ranging initiatives to accelerate the implementation of our Uruguay Round commitments and to deepen and broaden the outcome of the Uruguay Round through, for example, acceleration of tariff reductions, early implementation of WTO agreements, and pursuance of deregulation. Together with these measures, our collective actions including harmonizing and enhancing the efficiency of customs procedures and promoting mutual recognition and improving conformity assessment capabilities will yield immediate and tangible benefits for business. We urge non-APEC economics to follow suit and help advance global trade and investment liberalization.

8. The eminent persons group and the Pacific Business Forum have made important contributions to the formulation of the Osaka action agenda. Highly appreciative of the dedication and wisdom of the people who took part in the process, we congratulate them on the successful completion of their task.

Recognizing that business is the source of vitality for the Asia- Pacific and the driving force for regional economic development, we will appoint the members of the APEC Business Advisory Council to provide insights and counsel for our APEC activities.

9. Our ambitious attempt to promote wide-ranging regional cooperation and foster the spirit of community in the Asia-Pacific will doubtless encounter numerous new challenges and incur new responsibilities despite, or perhaps because of, our economic growth. The Asia-Pacific region's fast-expanding population and rapid economic growth are forecast to sharply increase the demand for food and energy and the pressures on the environment. We are agreed on the need to put these inter-related, wide-ranging issues on our long-term agenda and consult further on ways to initiate joint action so as to ensure the region's economic prosperity is sustainable.

Through our actions, we affirm the vital importance of expanding and strengthening the shared interests which are the foundation of APEC and of forging relationships of trust among our peoples. We pledge to go forward together to meet the challenges ahead.

Japan

Murayama, Gore Agree on 'Early' Clinton Visit

*OW1911134195 Tokyo KYODO in English
1330 GMT 19 Nov 95*

[FBIS Transcribed Text] Osaka, Nov. 19 KYODO — Prime Minister Tomiichi Murayama and U.S. Vice President Al Gore agreed Sunday [19 November] to realize an early visit to Japan by U.S. President Bill Clinton to reinforce the importance of the bilateral security alliance.

They reached the agreement in a meeting after a series of top-level talks of the Asia-Pacific Economic Cooperation (APEC) forum wound up in Osaka, the main industrial and commercial city in western Japan.

Mired in a domestic budget standoff, Clinton called off his state visit to Japan just prior to an informal APEC summit, derailing his summit with Murayama scheduled for Monday in Tokyo.

Gore, who attended the APEC summit in place of Clinton and met with the premier for about 50 minutes, apologized for the U.S. President's aborted trip to Japan.

While Gore cited the need for Clinton's early visit to Japan, Murayama also replied that the U.S. leader's "state visit will become important from now," Japanese officials said.

Clinton's postponement of his trip and Gore's visit on his behalf came at a time when bilateral security relations have been rocked in the wake of the rape of a 12-year-old schoolgirl on the island of Okinawa, southern Japan, in September.

Three U.S. Servicemen are on trial for the rape, which sparked a chorus of calls in Okinawa for a reduction of the U.S. military presence there. About 75 percent of U.S. military facilities in Japan are located on Okinawa.

In Sunday's meeting, Murayama and Gore reaffirmed the importance for bilateral security relations to ensure stability not only between the two nations but also in the Asia-Pacific region.

They also formally agreed to establish a fresh bilateral mechanism to discuss realignment and consolidation of U.S. military bases in Okinawa, the officials said, adding it will hold the first meeting in Tokyo on Monday.

The premier also indicated he will use his authority to force unwilling Okinawa residents to continue leasing land to U.S. Armed Forces stationed in Okinawa, the officials said.

Okinawa Gov. Masahide Ota has refused to sign documents necessary for the continued leasing of Okinawa land to the U.S. military.

Murayama had conveyed to Ota his readiness to take legal steps to force the landowners in Okinawa, some 1,600 kilometers southwest of Tokyo, to continue renting their land.

Tokyo 'Welcomes' President Clinton's Remarks

*OW1811034795 Tokyo KYODO in English
0338 GMT 18 Nov 95*

[FBIS Transcribed Text] Tokyo, Nov. 18 KYODO — The Japanese Government welcomed President Bill Clinton's remark in an interview Saturday [18 November] that he hopes to reschedule his visit to Japan as early as possible.

"We are making arrangements for Mr. Clinton's visit in January next year and expect the visit to be realized," Government Spokesman Koken Nosaka said.

Clinton canceled his trip to Osaka intended for Sunday's informal Asia-Pacific summit due to continued squabbles with Congress over the federal budget.

Nosaka, chief cabinet secretary, also praised Clinton's expression of regret and outrage over the September rape of a schoolgirl in Okinawa prefecture allegedly by U.S. military personnel.

"The feelings and concerns of the Okinawa citizens have been understood," the spokesman said.

Nosaka, a senior politician of the Social Democratic Party headed by Prime Minister Tomiichi Murayama, also agreed with Clinton's comments of a need to find ways to address the issue of U.S. bases in Okinawa, saying he will work to "express the sentiments of the Okinawa residents to the United States."

"The world is moving in the direction of demilitarization," Nosaka said. "I would like to see that Japan hold discussions and make efforts to see this through."

Meanwhile, Chiken Kakazu, head of the Okinawa prefectural assembly, was pleased with the extent of Clinton's remarks on the base issue, saying, "the voices of Okinawa prefecture have reached the president."

Shuden Teruya, leader of a group of pacifist landowners campaigning against the presence of the U.S. bases, criticized Clinton, however, saying his offers do not extend beyond mere discussion.

"Mr. Clinton will not alter the current security arrangements, so in the end he has no intention of listening to our requests," he said.

Canceled Trip Seen Underming Murayama Cabinet

OW1811132795 Tokyo NIHON KEIZAI SHIMBUN in Japanese 17 November Morning Edition p1

[FBIS Translated Text] The Japan-U.S. summit talks have been postponed. As a result, Prime Minister Tomiichi Murayama has lost not only a great diplomatic stage, but also a platform that might have brought about a turning point in his handling of the issue connected with U.S. military bases on Okinawa — a domestic issue which may affect the destiny of his cabinet. The prime minister will now be forced to rewrite his scenario of how the central government should take legal procedures for satisfactorily settling the issue connected with the enforced use of land for U.S. military bases in Okinawa. Although talks have been postponed due to domestic political developments in the United States, further degradation of the Murayama administration's image now seems unavoidable. As a result of the decline in the prime minister's leadership, this latest development indicates that troubles can be expected at extended Diet sessions.

"This time, there is nothing we can do about this, he was unable to come due to the U.S. domestic situation." On 16 November, Prime Minister Murayama stressed to reporters that the postponement was due to inconveniences on the U.S. side. The prime minister left his executive office to give a briefing to reporters on the details of his phone conversation with President Clinton before he was questioned about this. Murayama stressed that the President attaches great importance to Japan-U.S. relations and plans to visit Japan at the earliest date. However, it was noted that his face was set in a stiffened pose throughout the session.

"At Japan-U.S. summit talks scheduled for 20 November, an appeal will be made to President Clinton for realigning and reducing U.S. military bases on Okinawa, thereby gaining, to a certain extend, the understanding of Okinawa prefectural residents. At the same time, President Clinton will be informed that legal procedures will be taken to secure the enforced use of land for U.S. military bases in Okinawa. Legal procedures will commence immediately following the summit talks. Talks will be held 24 November with Okinawan Governor Masahide Ota on a development program based on the realignment of U.S. military bases." This is the scenario on how to break the deadlocked Okinawa base issue that the prime minister and other officials have originally worked out. However, now that the summit talks — the key issue — have been postponed, the Okinawa base- related issue will have to be dealt with by separating it from summit talks.

At the prime minister's talks with Vice President Al Gore, Murayama intends to inform Gore of his plan to take legal procedures as scheduled. However, it seems that "an accord can be reached on setting up a new consultative organ," but that "no further concessions can be expected from the U.S. side in view of Gore's discretionary power as Vice President," (as stated by a senior official of the Social Democratic Party of Japan [SDPJ]).

Continuous faults in diplomacy may also have delicate influences on the Diet's extended sessions. The Liberal Democratic Party [LDP] has indicated that it would not seek the dissolution of the Lower House nor for the general election even if confusion should result from deliberations on the bill for revising the Religious Corporation Act. However, given the decline in the administration's leadership, it has been pointed out that "as a result of intensified LDP-SDPJ conflicts over the draft of the National Defense Program Outline or the revision of the tax system for fiscal 1996, the Murayama administration may possibly be driven into a very difficult position," (as stated by a senior SDPJ official.)

Murayama Hopes for Summit Talks With Clinton

OW1911104795 Tokyo NHK General Television Network in Japanese 0900 GMT 19 Nov 95

[Question-and-Answer Session at Prime Minister Murayama's News Conference With Domestic and Foreign Reporters in Osaka on 19 November — live]

[FBIS Translated Excerpt] [passage omitted]

[NHK Reporter] I am Hayashi with NHK. Regrettably, President Clinton was not able to come to Japan. Mr. Prime Minister, how do you view the fact that President Clinton could not attend the APEC forum and that the Japan-U.S. summit talks, where the two leaders were supposed to issue a joint statement, did not materialize? When do you hope to realize the summit talks?

[Murayama] As you said, I deeply regret that President Clinton could not visit Japan. At the summit talks, President Clinton and I were supposed to issue a joint statement on the Japan-U.S. Security Alliance. However, this has also been canceled in line with the cancellation of the summit talks. Because this is one of the most urgent tasks, I have asked President Clinton to realize his Japan visit as soon as possible, and the two nations are now rescheduling his Japan trip. [passage omitted]

[Reporter] I am from LE FIGARO of France. In a recent interview with NHK, U.S. President Bill Clinton proposed that a security organization, like a kind of little

NATO, be established in the APEC region. What is the Japanese Government's opinion on this proposal?

[Murayama] As you know, APEC has been estalished to promote economic cooperation in the region. Thus, I think APEC activities should center on economic cooperation. However, I do not see any problem about APEC discussing security or other issues in future meetings. If necessary, APEC members should discuss such matters for peace and stability in the region. However, I do not believe APEC will immediately move toward establishing a collective security system.[passage omitted]

President Clinton's Cancellation Causes Concern

OW1811045395 Tokyo YOMIURI SHIMBUN in Japanese 17 Nov 95 Morning Edition p 2

[FBIS Translated Text] U.S. President Bill Clinton has canceled his planned visit to Japan, and the announcement of a joint Japanese-U.S. declaration to reconfirm the significance of the bilateral security arrangement in the post Cold War era has been put off. As a result, concerns have arisen in some quarters of the government that this could affect the "National Defense Program Outline," which the government has been working on with the idea that the outline and "the joint declaration are two sides of a coin" (as stated by a senior Defense Agency [DA] official).

The government maintains that its work on the outline "will not be affected" (according to Naoaki Murata, administrative vice minister of the DA). However, the draft of the new outline clearly underscores such significant aspects of the Japanese-U.S. security arrangement stressed in the joint declaration as that "the Japanese-U.S. security arrangement contributes to peace and stability in Japan and the Asia-Pacific region."

In reaction, the Social Democratic Party of Japan [SDPJ], which is a member of the tripartite coalition government, has indicated its objections, claiming: "There are strong connotations that this will lead to strengthening the security arrangement" (as stated by a senior SDPJ official). The government, with the DA playing the major role, has hoped to eventually finalize the new outline in a smooth manner by drawing up a scenario in which "the joint declaration will be announced first and then the outline will be worked out" (as stated by a senior DA official).

Effects of Clinton's Visit Cancellation Assessed

OW1811043095 Tokyo NIHON KEIZAI SHIMBUN in Japanese 17 Nov 95 Morning Edition p 1

[Article by editorial board member Yasuhiro Tase: "Ripples Caused by Cancellation of U.S. President's Visit; Japan Facing Heavier Responsibilities; U.S. Diplomatic Influence Over Asia May Decrease"]

[FBIS Translated Text] Jim Baker, secretary of state during the administration of former U.S. President George Bush, in his recent work entitled "Politics in Foreign Affairs," has stated: "It is doubtful whether all Presidents and state secretaries are serving their posts with hopes to carry out foreign policy in the spirit of Arthur Vandenberg's (a senator in the past) proverb. That proverb says, 'Foreign affairs have priority over all internal political affairs.'"

U.S. President Bill Clinton's cancellation of his visit to Japan is the result of giving domestic affairs higher priority than foreign affairs in the way Mr. Baker mentions. This is very regrettable, and it may have immeasurable impact on the Asia-Pacific Economic Cooperation (APEC) forum as well as Japanese-U.S. relations.

However, Japan should refrain, for the moment, from becoming overly pessimistic and make efforts to minimize the impact. In particular, there is no doubt that as the APEC host nation, Japan is burdened with heavier responsibilities to push forward last year's Bogor declaration.

To assemble leaders from Asian countries and hold a meeting in Japan — this is something Japan has longed to do since the end of World War II but has never done. The wounds Japan inflicted upon Asian countries during World War II have barred Japan from calling on those countries to attend such a meeting.

In that sense, the APEC meeting is a golden opportunity for Japan to prove both to its own people and to people of other countries that it is a member of the Asian community both in name and in reality. In November 1943, Japan held the so-called "Great East Asian Conference" to "carry the war to a successful finish and form a Great East Asian Coprosperity Sphere." Most of those who attended the conference were representatives of Japan's puppet governments.

The success of the APEC meeting is indispensable for Japan to cleanse itself of this dishonorable reputation. That will not change even if it is Vice President Al Gore who represents the United States at the APEC summit. However, it is necessary to analyze calmly the Asian policy of the Clinton administration, which has decided to cancel the President's visit to Japan by giving priority to internal affairs over foreign affairs and linking that policy with Clinton's strategy for reelection in next year's presidential race.

Hearing the news of Clinton's cancellation, I felt as if I had slipped back in time to four years ago. On 5 November 1991, then U.S. President George Bush suddenly canceled his tour of Japan, the ROK, Singapore, and Australia because Congress was deliberating on some bills.

This received strong criticism even in the United States. As a result of strong recommendations by his adviser Brent Scowcroft and others, Bush visited Japan on 7 January 1992. However, he collapsed during a dinner party hosted by then Prime Minister Kiichi Miyazawa at the prime minister's official residence.

Some high-ranking officials serving at the time under the Bush administration concluded that this was the beginning of the blunders that led to Bush's defeat in his bid for reelection. It is understandable that Clinton wants to give priority to internal affairs, especially since bargaining with the Republican Party over the national budget is in the final stages. On the other hand, the United States will probably be unable to avoid losing influence over countries in the Asia-Pacific region.

All these things may eventually deal a blow to the Clinton administration, too. Clinton himself helped upgrade APEC to a summit-level meeting in Seattle in 1993. That the very person responsible for this should be absent from the Osaka APEC summit makes us wonder about U.S. strategy in foreign affairs.

It cannot be said that the United States has satisfactory relationships with the PRC or the ROK. The fact that the planned "Clinton-Jiang Zemin talks" have vanished has considerable negative consequences in itself. Moreover, Clinton's visit had a special meaning for Japanese-U.S. relations, and the impact is not small at all.

This year, which marks the 50th anniversary of the end of World War II, people have begun questioning Japanese-U.S. relations in regard to the raison d'etre of the security arrangement itself. In Japan, nationalistic sentiment has arisen among both rightists and leftists, who are asking, "Why should Japan keep relying on the United States?" and asserting that Japan should "move away from the United States."

Such an atmosphere in Japan could have discouraged Clinton from changing his mind about his initial plan to visit Japan, even at the expense of temporarily putting off internal affairs. However, Japan cannot neglect the bilateral affairs for which it has been awaiting the President's visit.

Regarding Okinawa's military base issues, steps to resolve the domestic aspects should be steadily put into effect. It will then be necessary for the Japanese Government to request strongly that Clinton visit Japan early next year, preferably in early January, since the New Hampshire presidential primaries start in late January.

Honestly, we do not know how the cancellation of Clinton's visit will affect the Murayama administration. Although the cancellation was due to circumstances in the United States, beyond the Murayama administrations' control, the administration cannot wipe out the impression that the situation is symbolic of its foreign policy.

'Deepening' Distrust With U.S. Discussed

OW2011104995 Tokyo ASAHI SHIMBUN in Japanese 17 Nov 95 Morning Edition p 2

[Article by ASAHI SHIMBUN U.S. Bureau Chief Yoichi Funabashi: "Clinton's Canceled Visit Symbolizes a Hollowing-Out of Bilateral Relations"]

[FBIS Translated Text] The report on the cancellation of U.S. President Bill Clinton's visit to Japan must have reminded many Japanese of the canceled Tokyo visit by Former U.S. President Dwight Eisenhower in 1960, due to the then confusion in Japan over the revision of the Japan-U.S. Security Treaty. This time, Washington had to call off the president's visit because of "domestic affairs."

Although the budget crisis is behind the cancellation of Clinton's Japan visit, it is not the only reason. In a bid to win reelection in next year's presidential election, President Clinton has criticized the Republicans' budget-cutting program, claiming it would lead to the "total shutdown of the U.S. Government." The problem is he used the "cancellation of his trip to Japan" as an election tactic. As such, Japan-U.S. relations have become less important for Washington.

However, it is wrong to think that the Clinton administration has attached no particular importance to Japan-U.S. relations. The United States is at loggerheads with European countries over who should be appointed secretary general of the North Atlantic Treaty Organization (NATO). Its relations with China have worsened following Clinton's approval of Taiwan President Li Teng-hui's visit to the United States, despite the U.S. secretary of state's pledge to the Chinese foreign minister that "there will be no U.S. visit by President Li." According to a high-ranking ROK official I met last week at Chongwadae [Presidential Offices] in Seoul, when the official asked visiting U.S. Defense Secretary William Perry "if it were really possible for the President to go to Osaka;" Perry replied, "President Clinton will certainly visit Japan."

The cancellation of Clinton's Japan visit has brought disgrace on the U.S. government. This incident dramatically illustrates that the United States is losing its credit and leadership in the world.

It is also wrong to think that the cancellation represents the Democratic-led government's policy of concentrating more on domestic problems than foreign affairs. Former Republican President George Bush also postponed his visit to Tokyo in the autumn of 1991 (Bush's Japan visit took place later in January 1992). We should read from the incident a long-term trend of the United States gradually losing its power on the world stage in the post-Cold War era.

The United States joined the Asia Pacific Economic Cooperation (APEC) forum to jump on the rapid economic growth in the Asia-Pacific region and promote its interests in the region.

The Clinton administration, which has clearly said that "our Asia policy is aimed at promoting exports and creating jobs," hosted the APEC summit meeting in Seattle in 1993. Unexpectedly, the recent incident revealed the defects and limits of the United States' too occasional [kikai-shugi teki] and mercantile Asia policy.

All the bilateral issues that had been held in during the Cold War era appear to have come out this year, which marks the 50th anniversary of the war's end. This can be observed in the controversy between the two countries over the exhibition of atomic bomb-related materials at the Smithsonian's Air and Space Museum; the trade friction over autos, a case which each side brought before the World Trade Organization (WTO); the Okinawa bases issue; the Central Intelligence Agency (CIA) spying case; and the cancellation of President Clinton's visit to Japan. Each case shows deepening mutual distrust.

Both Japan and the United States lack efforts and the leadership to rebuild bilateral ties in the new international environment. Showing a sense of crisis, Michael Armacost, former U.S. ambassador to Japan, said: "Political ballast [seijiteki na barasuto], which helps strengthen bilateral relations, no longer exists between Japan and the United States."

The recent incident also showed the limit of a proposed policy to establish efficient Japan-U.S. relations to promote bilateral cooperation in resolving security, economic, and global issues separately. Unless leaders of the two countries make efforts to promote political relations, a hollowing-out [kudoka] of bilateral ties will occur. The cancellation of Clinton's Japan visit symbolizes this hollowing out.

Clinton's aborted visit will cause the postponement of the "redefinition" of the Japan-U.S. Security Treaty and the "solution" to the Okinawa bases issue. However, before these things, the two countries should redefine their bilateral relations.

Japanese government officials should clarify what the two countries should have in common, in what areas they should cooperate, and what responsibilities the two sides should assume. They should then seek U.S. views. After that, the two sides have to create "political ballast."

Okinawa Daily Views Clinton's Canceled Visit

OW2011114195 Naha RYUKYU SHIMPO in Japanese 17 Nov 95 Morning Edition p 5

[Editorial: "President Clinton Cancels His Japan Visit; Do Not Shelve Issue of Returning Land"]

[FBIS Translated Text] With the cancellation of U.S. President Clinton's visit to Japan, the announcement of a joint document incorporating the reaffirmation of the Japan-U.S. security arrangement and the promotion of the realignment and reduction of military bases on Okinawa — which was to be announced after the Japan-U.S. summit talks scheduled for 20 November — will be postponed. From Okinawa's standpoint, the postponement of an announcement on "the reaffirmation of the Japanese-U.S. Security Treaty," which seems aimed at allowing U.S. forces to continue to use bases on Okinawa in the next century, is not necessarily disadvantageous. Meanwhile, however, some observers may say that a golden opportunity to find ways to settle the base issues facing Okinawa was missed, despite the fact that the two governments have started giving serious study to the issues.

Frankly speaking, we are neither optimistic nor pessimistic about the fate of the military base issues.

In the past, we have pointed out that the clarification of a path for Japan and the United States toward disarmament in the Asia-Pacific region in a post cold-war era will lead to cutting military bases on Okinawa. Both the Japanese and the U.S. Governments have come up with various measures, which we think are makeshift and are probably in reaction to the Okinawan people's outcry following the alleged rape of a schoolgirl by U.S. servicemen and Governor Ota's refusal to sign documents by proxy that force unwilling landowners to continue leasing their land to U.S. forces on Okinawa. We do not think that such last-minute jobs will help settle the base issues facing Okinawa. We urge the two governments to come to grips with the bases issues in all sincerity in preparation for Japan-U.S. summit talks next year.

Show Way Toward Disarmament

In the hopes of having U.S. President Clinton visit Okinawa and directly see the situation in Okinawa, our chief editor interviewed U.S. Ambassador to Japan Mondale and requested the President's to visit Okinawa. However, the ambassador responded that it would be difficult for the President to visit Okinawa because of a packed itinerary. It is regrettable that the opportunity for a possible presidential visit to Okinawa and for heart-to-heart talks between Prime Minister Murayama and President Clinton on the Okinawa base issues was postponed. However, we would like to see that the postponement has given the two governments time to study the issues by the time the next summit talks are held.

The purpose of "reaffirming the Japan-U.S. Security Treaty" at the postponed Murayama-Clinton talks was to give new meaning to the pact by expanding the bilateral security framework, which is a creature of the Cold War, to all of East Asia and on a global scale after the demise of the Soviet threat.

If the talks were held as scheduled, the two leaders would have announced a Japan-U.S. agreement on reaffirming the pact in the form of a joint document, in an effort to intelligibly explain to both Japanese and U.S. citizens the importance of maintaining and enhancing the Japan-U.S. security arrangement in a post Cold-War era.

The two leaders were to announce that the security pact is the nucleus of the Japan-U.S. relationship of alliance and is indispensable to peace and stability in the Asia-Pacific region. They were to announce that the two governments would "make efforts to trim, consolidate, and cut the U.S. military bases on Okinawa." The reaffirmation of the security pact is to give the pact a role in ensuring security on a global scale, and it is a very serious change, comparable with the 1960 and 1970 changes in the pact. This is the reason observers regard the reaffirmation of the pact as "a change in the pact [that should have been made] in 1990." Although it requires nationwide debate and consensus, the role of the security treaty was about to be changed without debate in the Diet.

Of course, by looking at the U.S. military forces' moves such as joint exercises and the Marine Corps' dispatch to the Gulf War, we know that the role of the U.S. forces in Japan has expanded to cover the Middle East and Africa, going beyond "the Far East" region stipulated in the security pact.

Security in Asia Threatened by Cabinet Member's Careless Remarks

The reaffirmation of the security treaty includes 1) promoting the development of a Theater Missile Defense (TMD) plan; 2) concluding an acquisition and cross-servicing agreement (ACSA); 3) promoting technology cooperation in weapons and equipment development, such as support for the experimental fighter (FSX); and 3) introducing air-to-air refueling. In this way, the reaffirmation of the pact is designed to make Japan-U.S. military cooperation much closer. On the other hand, there is a possibility of its breaking the rule of "exclusively defensive defense" by the Self-Defense Forces [SDF]. Although the current situation concerning the Japan-U.S. security framework has been created without nationwide debate, we need to think about the situation now. Although the Asia Pacific Economic Cooperation (APEC) forum has opened in Osaka, it is hoped that, as host nation, Japan will exercise more leadership.

Japan should take action to stimulate the mood to promote disarmament in the Asia-Pacific region in particular. Recently, as is shown by the careless remarks of Eto, former director general of the Management and Coordination Agency, some cabinet members and influential politicians have made remarks justifying Japan's colonization of its neighbors and that run counter to the general recognition of history. Do not they know that their remarks are threatening Asia's security?

At their talks in Seoul, South Korean President Kim Yong-sam and Chinese President Jiang Zemin severely criticized Japan, saying "Japan should make politicians have correct understanding of history."

The "East Asia and Pacific Security Strategy Report" (EASR, the third East Asia Strategy) proposes maintaining a forward presence in the region of 100,000 troops. To back this up, the report lists China's expansion of its military power and instability on the Korean peninsula. Meanwhile, the Japanese Government itself and some politicians are inciting wariness in China, South Korea, and other Asian nations. It is said that some Asian nations support the Japan-U.S. Security Treaty and the stationing of the U.S. military forces in Japan, because they believe the security pact can protect Japan from becoming a military superpower.

Thus far, we have repeatedly criticized the government for taking a discriminatory policy that forces Okinawa to have 75 percent of the U.S. military bases in Japan. At the same time, we would like to point out that the threat of neighboring nations on which the government bases the deployment of the U.S. military forces and the strengthening of the SDF, stems from Japan's past acts. The government should pave the way for realizing disarmament in Asia by the time the next Japan-U.S. summit talks are held. This will make drastic cuts of the U.S. military in Japan possible.

Report on NHK's Clinton Interview From Okinawa

Officials Want Clear-Cut Answer

OW1911055195 Naha RYUKYU SHIMPO in Japanese 18 Nov 95 Evening Edition p 1

[FBIS Translated Text] The following are the comments of Choko Takayama, Okinawa prefectural government's policy coordinator on President Bill Clinton's interview:

The President seems to show understanding of the governor's feelings, but this remains at the level of sympathy. However, what Okinawa wants is: what is to be done about the damages arising from the U.S. bases in Okinawa, and what are the specific steps to be taken to reorganize and reduce the bases. We look forward to a clear cut answer on these.

Although the President could not make it to the summit meeting on 20 November, there is information that he may come to Japan early next year. We have time until then; and during this period, the new consultative bodies between Japan and the United States, and between the central government and Okinawa will have started. The Japanese Government will be discussing the reorganization and retrenchment of U.S. military bases in Okinawa thoroughly. We hope that, in parallel with this, the President will also think about the problem carefully and come up with proposals conforming to the Okinawan people's wishes at the summit meeting.

Kakazu: 'Reached' U.S. President

OW1911054195 Naha RYUKYU SHIMPO in Japanese 18 Nov 95 Evening Edition p 1

[Following remarks attached to a KYODO reporter's Washington dispatch on KYODO, NHK joint interview with President Bill Clinton held at the White House on 17 November]

[FBIS Translated Text] Remarks by Chiken Kakazu, chairman of the executive committee of the Okinawan people's rally (and speaker of the Okinawa Prefectural Assembly):

We, the people of Okinawa Prefecture, held a supraparty people's rally. And I think that what we have appealed to the Japanese and U.S. Governments for so strongly at this rally has reached the President of the United States. If the U.S. Government is going to deal with the issue in a positive way, we hope that the Japanese Government will do its utmost to positively approach the United States so as to solve the problems connected with the military bases. The task now lies in how the Japanese Government is going to approach the United States.

Civic Leaders Reaction Positive

OW1911073295 Naha RYUKYU SHIMPO in Japanese 18 Nov 95 Evening Edition p 5

[FBIS Translated Text] Officials of the groups which organized the Okinawan People's Rally [on 21 August], and of the antiwar organizations, and the heads of local governments concerned with the U.S. bases all showed a positive reaction to U.S. President Bill Clinton's remark [in a 17 Nov interview with Tokyo NHK General Television Network and the KYODO NEWS AGENCY] as showing "the greatest measure of sincerity" on the problem of military bases in Okinawa.

However, they were critical regarding his statements emphasizing the importance of the Japan-U.S. security alliance, and negating a reduction of forces, because "this will leave the various problems arising from the bases unresolved."

Furthermore, a majority of these groups believe that in response to the definitive statements from the U.S. side, "the Japanese Government's attitude will now be in question." They demand a firm attitude from the Japanese Government.

Masao Arime, chairman of the Joint Struggle Committee To Support the Court Case on the Unconstitutionality of Military Land Use, said: "If he meant what he said, we welcome his remarks. After the end of the Cold War structure, the United States started to retrench its military bases both domestically and overseas. The Japanese Government should accept the demands of the Okinawan people and Governor Ota, and present these demands to the United States."

Masahiro Toguchi, chairman of the Okinawa chapter of Rengo [Japanese Trade Union Confederation], said: "President Clinton's remarks lead to the possibility of returning to discussions from the starting point — that is, the commitment made during Okinawa's reversion to Japanese administration that Okinawa would be made nuclear-free like the Japanese mainland. This is a fruit of the Okinawan people's movement. At the same time, the Japanese Government will now be put to the test of how well it can formulate proposals in line with the Okinawans' demands."

Sumiko Toguchi, organizer of the "Women's Action Group To Oppose the Bases and Armed Forces," which is conducting a protest sit-in in front of the Prefectural Government Building, said: "We hope steps will be taken to ensure that there will be no further violations of human rights, to educate U.S. soldiers thoroughly, and above all, to compensate the rape victim as soon as possible."

Tetsuei Tamayose, chairman of the Prefectural Liaison Group for Child Development, voiced his demand. He said: "During our recent petition to the Ministry of Foreign Affairs, we were concerned that the Japanese Government had not been able to come up with concrete proposals. I think this is a golden opportunity to eliminate the inequality with the United States. We hope the Japanese Government will make efforts to take advantage of this opportunity."

Local Leaders: Bases Still Problem

OW1911064995 Naha RYUKYU SHIMPO in Japanese 18 Nov 95 Evening Edition p 5

[The following are comments by local Okinawan leaders on U.S. President Bill Clinton's interview with NHK and KYODO NEWS AGENCY on 17 November at the White House]

[FBIS Translated Text] Kosei Oyadomari, mayor of Naha city: I appreciate the fact that he discussed in depth the issue of military bases on Okinawa, giving consideration to the Okinawans' sentiments. However, what the Okinawa people want is to have all military facilities done away with. This means the reorganization and retrenchment of U.S. bases accompanied by the reduction in both facilities and troops. If the troop level remains the same, we are concerned that the base-related problems will remain unresolved.

Seiken Tobaru, mayor of Ginowan City: Since the President has said that all proposals will be considered as possible options, we can see a modest attitude, and we pin our hopes on this. The problem now will be what the Japanese Government thinks of Okinawa, and what proposals it will make.

On the other hand, the president's remarks about the necessity of the Japan-U.S. security alliance and U.S. Forces on Okinawa are not convincing. On the contrary, [the security alliance and the U.S. Forces] both serve to heighten tension in Asia.

Tokushin Yamauchi, village head of Yomitan-son: We are happy to recognize the U.S. President's sincerity about working for a solution on the reduction and relocation of U.S. Forces on Okinawa. Since the United States has taken a more accomodating approach to solving the base issues, the problem now is Japan's attitude. On the one hand, we must come up with concrete solutions to the base issues, and on the other, we must continue to promote the Okinawan people's struggle.

Editorial on Clinton's 17 Nov Interview

OW1911051495 Naha RYUKYU SHIMPO in Japanese 19 Nov 95 Morning Edition p 3

[Editorial: "Attention Must Be Given to Remarks by the U.S. President — The Point at Issue Is Modifying the 'Polarization [henko] on the Security Treaty'"]

[FBIS Translated Text] U.S. President Bill Clinton granted an interview to the KYODO NEWS AGENCY and to NHK [Nippon Hoso Kyokai Japan Broadcasting Corporation] on 17 November. In this interview, the President indicated "his understanding of the prefectural residents' concerns" over the U.S. military bases on Okinawa; and, at the same time, he touched on the issue of realigning and reducing military bases, saying: "For whatever alternatives there are we intend to hold consultations with the Japanese Government."

Moreover, the President also expressed his hope for resolving the issue connected with the U.S. forces stationed in Okinawa with a year. Moreover, he stated that, at the consultative organ to be set up between the two countries to handle problems connected with security arrangement, the following issues will be discussed: 1) the scale and arrangement of the U.S. forces; 2) the scale and purposes of the land to be used by U.S. forces; and 3) transfer of forces in Okinawa to other locations in Japan.

The task now is how the Japanese Government is going to catch or hit back the ball that the president has pitched. It is said that it will take a year. However, for Okinawa, which has endured for 50 years, it will not constitute a serious problem. The point at issue is whether the details will indicate "understanding of the prefectural residents' concerns" as the President has stated and whether the outcome will be in line with the local people's demands and views.

From this standpoint, we are concerned with the fact that maintaining the current strength of the U.S. Forces in Japan [USFJ] is regarded as indispensable to the security arrangement. Therefore, it is stated in item 3 that military bases in Okinawa will be transferred to other prefectures. However, it remains questionable as to whether this plan can be materialized. Three pending cases in Okinawa may serve as good examples. On the contrary, what should be taken as major preconditions is reviewing the existing security arrangement and groping for a new security arrangement based on reduction of troop strength. Herein also lies the global trend. Otherwise, for Okinawa, it will be "a premature delight" in looking for "castles in the air."

Doubts About the "Situation on the Korean Peninsula"

One of the reasons for maintaining the current troop strength of the U.S. Forces in Japan and in Korea that President Clinton mentioned was the situation on the Korean peninsula. The discussion about the Korean Peninsula situation, frankly speaking, means the threat coming from the DPRK (North Korea).

It is true that, based on a public opinion poll jointly conducted by four media organs, including SANKEI SHIMBUN and the USA TODAY, nearly 60 percent of the Japanese regard North Korea or China as a "threat." However, it is questionable as to whether this figure can be taken at face value. The Japanese and U.S. Governments have repeatedly mentioned that it is necessary to maintain the Japan-U.S. security arrangement because of the "Korean Peninsula situation," and we are sick of hearing it. In this connection, would it be uncompromising to say that the outcome [of the poll] reflects the influence of these repeated remarks?

The international situation as well as the current environment has so changed that it would be inappropriate to even think of a threat coming from North Korea or China in connection to the history of the Korean War that took place 40 years ago. The Cold War has come to a conclusion, and both the "Iron Curtain" and "Bamboo Curtain" now belong to the past. China has normalized its diplomatic relations with past enemies — the ROK, the United States, Japan, the [former] Soviet Union, and Russia, which came into existence later on.

And as far as North Korea is concerned, suspicion about its development of nuclear weapons is not an old story. However, inspections have been carried out by the International Atomic Energy Agency (IAEA), and relations have been established through negotiations on inspections, talks were continued later on, and organs have been established for direct liaison with the United States. At one time, the issue on missile development was brought up. And in the course of "redefining" the Japan-U.S. security arrangement, the concept of Theater Missile Defense (TMD) has surfaced too. However, are we not being too sensitive? If North Korea should act in just the manner worked out in the hypothetical scenario of the Japanese and U.S. Governments, it would only lead to its own destruction. Is it necessary now and in the future for us to watch North Korea as well as its people with unlimited suspicion?

We would like to say please quit saying things about the "situation on the Korean Peninsula."

The Polarized Prism of Security Arrangement

Mr. Alan Tornelson, researcher of the Institute of Economic Strategy [names as transliterated], maintains that, as a result of the conclusion of the Cold War, there will not be chaos or aggression in Asia and that a superpower intending to take advantage of such a situation no longer exists. In his analysis, he says: "Many social and economic dangers in Asia have stemmed from the fact that rapid economic growth in traditional society have brought about social, cultural, and political creaks [kishimi]," (as published in the RYUKYU SHIMPO 18 November morning edition). Moreover, he stated that even the most powerful troops would be helpless against it. When we take the future of Asia into consideration, this viewpoint will be of great importance.

Moreover, in regard to the security arrangement in Asia following the conclusion of the Cold War, the President stated that he would like to set up worldwide something like the Partnership for Peace (PFP) in Europe. He also indicated a plan for building a loose [yuruyaka] security arrangement in Asia in the future. For example, "joint exercises of four to five countries" will be conducted with Japan and the ROK playing the major roles. Let us not dig into what countries these four or five countries will be. However, if the hypothetical target countries in these exercises should happen to be North Korea or China, it would be an anachronistic plan.

The "ASEAN Regional Forum," multilateral consultative organ on security in Asia, seeks to prevent disputes through "preventive diplomacy" but not to maintain peace with military strength limited to four to five countries. Are Japan and the United States not members of the forum?

We believe that while strictly sticking to the golden rule of "attaching importance to the situation on the Korean Peninsula," the international community should treat North Korea and other countries not as conflicting forces but as members of the international community and neighboring nations, in a bid to seek friendly relationship based on mutual confidence. This should be the future orientation of the world and the orientation for Asia, which is devoted to achieving peace. Mr. Tornelson raised a question that the U.S. Government leaders "tend to view the extremely complicated Japan-U.S. ties from the prism of those old treaties that were concluded in a world completely different from the present one." The same question should also be addressed to the Japanese leadership. This "prism of security arrangements" have become so polarized that it is not in line with the current times. In redefining the security arrangements, efforts should be made to modify the "prism" itself so that it will be oriented to faith and trust.

Nosaka on Timing for Murayama's Action on Bases

OW2011084795 Tokyo KYODO in English 0805 GMT 20 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 20 KYODO — It is unclear when Prime Minister Tomiichi Murayama will move to take legal action necessary to force unwilling Okinawa residents to continue leasing land to the U.S. military, the top government spokesman said Monday [20 November].

"I don't know when or what the prime minister will decide on the matter," Chief Cabinet Secretary Koken Nosaka said at a press conference.

He was referring to Murayama's imminent use of his authority to have landowners in Okinawa Prefecture continue leasing their land to U.S. Forces in order to secure the smooth progress of Japan-U.S. security arrangements.

Okinawa Gov. Masahide Ota has refused to sign documents necessary for the continued leasing of land since the rape of a local schoolgirl in September, for which three U.S. servicemen have been indicted.

In his talk with U.S. Vice President Al Gore in Osaka on Sunday, Murayama suggested his readiness to take legal action to compel the Okinawa landowners to continue leasing their property to U.S. Forces.

Okinawa, about 1,600 kilometers south of Tokyo, is home to 75 percent of the U.S. military facilities in Japan.

Murayama is to meet Ota on Friday for the second time in less than a month to see what can be done to reduce the U.S. military presence in Okinawa.

First Bilateral Meeting on Bases Reported

OW2011054695 Tokyo KYODO in English 0537 GMT 20 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 20 KYODO — A special Japan-U.S. Committee on U.S. military bases in Okinawa prefecture agreed Monday [20 November] to give serious consideration to policies for real progress in the realignment and consolidation of U.S. military facilities and sites.

The special action committee on U.S. bases, meeting for the first time Monday at the foreign ministry, also agreed to conclude with a minister's level report in one year's time.

The head of the ministry's North American Affairs Bureau, Masaki Orita, and the chief of the Defense Agency's Bureau of Defense Policy, Masahiro Akiyama, met U.S. Assistant Secretary of State Winston Lord and Assistant Secretary of Defense Joseph Nye.

The committee's initial session, agreed to Sunday by Prime Minister Tomiichi Murayama and U.S. Vice President Al Gore, was also attended by Foreign Minister Yohei Kono, Defense Agency Chief Seishiro Eto and U.S. Ambassador to Japan Walter Mondale.

The committee agreed that the retrenchment policies would be consistent with the goals of the Japan-U.S. security arrangement.

It also agreed it would consider concrete proposals for improving conditions connected with the bases, including Japanese complaints about training, noise and safety.

While no specific policies were discussed Monday, the Japanese representatives are considering a proposal that 10 locations in Okinawa, including the Okuma Rest Center and the Awase Communications Site, be reverted to Okinawa.

On Nov. 1, U.S. Defense Secretary William Perry agreed with Kono and Eto to set up the new forum to discuss the U.S. military bases in Okinawa, following an outburst of rage by Japanese following the rape of a schoolgirl in Okinawa, for which three U.S. servicemen are being tried.

In the agreement, Perry and the Japanese ministers confirmed the importance of maintaining the Japan-U.S. security alliance, not only for the safety of Japan but for the peace and stability of the Asia-Pacific region.

Perry said then that the United States has no plans to change its policy of maintaining about 100,000 military personnel in the Asia- Pacific region, including about 47,000 personnel in Japan, but added the U.S. is willing to discuss ways to ease the burden on Okinawa, which has 75 percent of all U.S. bases in Japan.

Meanwhile, in the Okinawa prefectural capital of Naha on Monday [20 November], Gov. Masahide Ota said he hopes some concrete results will emerge from his scheduled Friday meeting with Prime Minister Tomiichi Murayama.

Ota has sided with local residents who refuse to renew their leases with the U.S. military for the use of their land, resulting in a stand-off with the central government which wants to maintain a trouble-free Japan-U.S. security arrangement.

"It is mistaken (for the central government) to think that its statement that a resolution on the return of 23 (U.S.

military) locations will also mean a resolution of the bases problem. We want to talk about the issues even after the return of the 23 locations," Ota said.

Asked about the meeting of the special committee in Tokyo, Ota reminded reporters, "I think the joint declaration of (former Prime Minister Eisaku) Sato and (former U.S. President Richard) Nixon also called for the realignment and consolidation of the bases, but it's never been realized."

Eto Seeks Early Joint Security Treaty Statement

OW1811115595 Tokyo ASAHI SHIMBUN in Japanese 17 Nov 95 Evening Edition p 2

[FBIS Translated Text] Japan and the United States should release a joint statement on "updating" the bilateral security treaty as soon as possible, Defense Agency Director General Seishiro Eto said.

Since U.S. President Bill Clinton canceled his Japan trip, the official announcement of the joint statement is expected to be postponed until he visits Japan some time in the future. Commenting on this in informal remarks following a cabinet meeting on the morning of 17 November, Eto stated: "The government is supposed to try its best to realize the visit of the U.S. President as soon as possible. Also, I hope the government will take every possible effort to work out the joint statement."

DFAA Head, Governor Ota on U.S. Base Issues

OW1911083495 Naha RYUKYU SHIMPO in Japanese 18 Nov 95 Morning Edition p 2

[FBIS Translated Text] On the afternoon of 17 November, Masuo Morodomi, visiting director general of the Defense Facilities Administration Agency, called on Okinawa Governor Masahide Ota at the prefectural government office. At the start of the meeting, Morodomi touched on the rape of Okinawan schoolgirl by U.S. servicemen, saying: "As the authorities that provide the bases to the U.S. forces, we would like to express our apologies." He continued: "The entire cabinet is determined to work out a solution (to the problems of the U.S. military bases on Okinawa). We would like to fully tackle the problems. To achieve the goal, we need understanding from the Okinawan Government in various fields."

Governor Ota expressed his dissatisfaction with the present situation, in which topics handled by a tripartite consultative body — organized by the U.S. forces, the Okinawa Prefectural Government, and the Naha Defense Facilities Administration Bureau — are limited to those approved by the U.S. forces. Ota demanded revision of this rule. He also indirectly demanded the removal of Futenma Air Station, stressing how dangerous it is. Ota urged Morodomi to work out a noise reduction pact for Kadena Air Base, relocation of the naval hardstand on Kadena, and a revision of the Japan-U.S. Status of Forces Agreement.

Morodomi showed a positive attitude toward reviewing the functions of the consultative body, saying he "understands" Ota's request for improving the consultative body.

Regarding the noise reduction pact and the naval hardstand on Kadena Air Base, Morodomi said he "would like to discuss them when the new consultative body is organized."

During the day, Morodomi took an airplane trip to observe Futenma Air Station, Kadena Air Base, Camp Hansen training field, and Ie Airfield. He will leave Okinawa on 18 November after observing other U.S. military bases.

Ota Issues Letters on Admiral Macke's Remarks

OW2011113695 Tokyo KYODO in English 1117 GMT 20 Nov 95

[FBIS Transcribed Text] Naha, Japan, Nov. 20 KYODO — The Okinawa Prefectural Government protested on Monday [20 November] to U.S. military and consular officials over U.S. commander's remark that U.S. servicemen on trial for the rape of a schoolgirl could have bought a prostitute with money paid to rent a car used in the assault.

In letters sent in the name of Gov. Masahide Ota to Maj. Gen Wayne Rollings, coordinator of the United States Forces Japan, Okinawa area, and Aloysius O'Neill, U.S. consul general in Okinawa, the prefectural government said "We regard the incident as a henious crime that violates the dignity of women."

Tatsuo Matayoshi, director of the General Executive Office of the governor of Okinawa, briefing reporters on the letters, said the letters also informed the recipients of the administration's view that for a U.S. commander to make such a remark indicates that U.S. military authorities have not reflected over the incident.

Matayoshi said the letters stated that Ota harbors a great feeling of distrust toward U.S. officials' measures for education and enforcing discipline among their personnel.

Navy Adm. Richard Macke, commander in chief of the U.S. Forces in the Pacific, resigned Friday amid an uproar after he told reporters that the rape case was "stupid" because the three servicemen "could have had a girl" with the money paid to rent the van they used in the incident.

Macke's Remarks Not To Aggravate Bases Issue

*OW1811081595 Tokyo KYODO in English
0755 GMT 18 Nov 95*

[FBIS Transcribed Text] Osaka, Nov. 18 KYODO — Foreign minister Yohei Kono on Saturday [18 November] described as "unbelievable" remarks by the commander of U.S. Pacific forces about the alleged rape of a Japanese schoolgirl in Okinawa, but praised the quick U.S. handling of the case.

"The remark was unbelievable," Kono told reporters at the international press center in Osaka Castle Hall, referring to comments by Navy Adm. Richard Macke, commander in chief of the U.S. Forces in the Pacific.

Kono said the remarks were deplorable considering what Macke has performed as the commander. [sentence as received]

On Friday, Macke told reporters the September rape of a 12-year-old schoolgirl in Okinawa allegedly by three U.S. servicemen was "stupid" because they "could have had a girl" with the money paid to rent the van they used to abduct the girl.

The rape incident triggered a storm of calls in Okinawa to cut back U.S. military bases in the prefecture, where 75 percent of all U.S. military facilities in Japan are located.

The U.S. commander also reportedly said Okinawa Gov. Masahide Ota, who refused to sign documents necessary for the continued forced use of land for U.S. bases, aggravated the public outcry in Okinawa to reduce the bases.

Macke resigned after making the controversial remarks.

Kono suggested that the commander's comments will not aggravate the problems involving U.S. military bases on Okinawa because the United States quickly and properly addressed the situation.

U.S. Ambassador to Japan Walter Mondale telephoned Kono earlier in the day to inform him of Macke's resignation.

The envoy told Kono that Macke's remarks run counter to what the U.S. Government believes in and the commander is retiring to take the blame for his remarks, Japanese officials said.

Prime Minister Answers Reporters' Queries

*OW1911152995 Tokyo NHK General Television
Network in Japanese 0901 GMT 19 Nov 95*

[Question-and-Answer Session at News Conference by Prime Minister Murayama With Domestic and Foreign Reporters in Osaka — live]

[FBIS Translated Text] [Unidentified moderator] Now, we would like to begin a question-and-answer session. If you want to ask questions, please raise your hand, and I will let you ask questions. Be sure to give your name and your company name before asking questions, and use the nearest microphone. Since time is limited, please ask one concise question in either Japanese or English, so that we can have questions as many as possible.

[Reporter] I am Yasukawa with the KYODO NEWS AGENCY. I would like to ask about the Action Agenda. How do you plan to anchor the liberalization of trade in the Asia-Pacific after coordinating divided opinions among the members of the Asia-Pacific Economic Cooperation forum, and what sort of concrete measures does the Japanese Government plan to take toward that end?

[Murayama] As I said earlier in the statement, we will move into the action stage. In each trade area, the development stage of Asia Pacific Economic Cooperation [APEC] members varies, and members have their own domestic issues. Although APEC members have coordinated views through discussions, I think, discussion was not always easy. However, given such a situation, Japan has made efforts to seek consensus among member nations. I think it was Japan's great leadership in compiling the Action Agenda, and this has been highly evaluated by the other APEC member nations. I think, the Action Agenda and the Osaka Declaration are well balanced, and I firmly believe that the agenda has positive contents.

[Moderator] Next, the lady, please.

[Reporter] [speaking in English with voice-over Japanese translation] I am Ms Totowa [name as heard] from THE BANGKOK POST. Japan received high praise for its leadership in compiling a comprehensive plan, etc. From now on, Japan intends to continue to take a leadership role. Does Japan plan to announce its particular position to the Japanese people on the rice and agriculture issue, and does Japan really intend to open its market?

[Murayama] Well, we have to attach importance to a political commitment announced in the Bogor Declaration. The member nations have confirmed that liberalization will be promoted by 2010 based on principles of comprehensiveness. However, the agreement does not concretely address tariffs for an individual trade area or investment limits, and agriculture is in the same framework. Now, let me add that Japan is the biggest importer of the agricultural products in the world.

[Moderator] Who's next? You, the lady over there please.

[NHK Reporter] I am Hayashi with NHK. Regrettably, President Clinton was not able to come to Japan. Mr. Prime Minister, how do you view the fact that President Clinton could not attend the APEC forum and that the Japan-U.S. summit talks, where the two leaders were supposed to issue a joint statement, did not materialize? When do you hope to realize the summit talks?

[Murayama] As you said, I deeply regret that President Clinton could not visit Japan. At the summit talks, President Clinton and I were supposed to issue a joint statement on the Japan-U.S. Security Alliance. However, this has also been canceled in line with the cancellation of the summit talks. Because this is one of the most urgent tasks, I have asked President Clinton to realize his Japan visit as soon as possible, and the two nations are now rescheduling his Japan trip.

[Moderator] Next question please. The lady over there please.

[Reporter] [speaking in English with voice-over Japanese translation] I am Sagwar [name as heard] from THE WASHINGTON POST. Mr. Prime Minister, what was your reaction to Commander Macke's comments, and what is your view on the issue facing Okinawa in relation to Japan's relations with the United States?

[Murayama] I personally think the remark by Commander Macke of the U.S. Pacific Command was inappropriate in some respects, and, in my understanding, it was inevitable that he take responsibility for what he said by resigning. As for the Okinawa issue, as I said earlier, I intended to have frank talks with President Clinton and fully discuss the matter to find a satisfactory conclusion on the issue of trimming, consolidating, and reducing the military bases on Okinawa while calling for a correct understanding of the Okinawa issues. I would like to deal with the issues with such intentions.

[Moderator] Next please.

[Reporter] I am Yabe of TBS. I would like to ask about the action plan. In the Action Agenda, it specifies that the action plan will be reviewed every year and renewed after reflecting the review feedback, and says that flexibility will be considered in that process. However, I am afraid that, if such a review is made, APEC negotiations, as far as Asian nations are concerned, would become difficult ones like the Japan-U.S. economic talks. What is your view?

[Murayama] As I said earlier, member nations vary in their economic development, and they have their own unique problems. I think that member nations will come up with their own plans in line with their domestic situations and will take action toward the target years of 2010 and 2020. In this sense, the Action Agenda sets up one of the goals. I think that the agenda is to let the member nations make efforts and cooperate in meeting the target while reviewing the plans every year.

[Moderator] Next please.

[Reporter] [speaking in English with voice-over Japanese translation] I am Burunburg [as heard]. The Action Agenda says APEC will move from vision to action. For example, have the deadlines of 2010 and 2020 been decided? In other words, will tariffs all be abolished or reduced to zero? What if it will not be so?

As I said earlier in the statement, and as stated in the Bogor Declaration, the APEC nations agreed to carry out trade and investment liberalization by 2010 and 2020. Keeping the premise of the agreement firmly in mind, APEC will emphasize principles of comprehensiveness. For that end, each nation will promote liberalization in a realistic and flexible manner. During the process of promoting liberalization, each nation will try to change its own plan to a realistic one while reviewing the plan. Through the accumulation of such efforts, each nation will strive to meet the target dates of 2010 and 2020. This is what member nations have agreed upon.

[Moderator] [speaking in English with voice-over Japanese translation] I am from the Boston Club. Mr. Prime Minister, are there any significant differences in the Japanese and the U.S. positions with regard to China's participation in the World Trade Organization [WTO]?

[Murayama] There are no differences in our positions. The two countries have agreed to make joint efforts for China's participation in the WTO. I do not think there is a wide difference in positions.

Next question, please.

[Negishi] I am Negishi from Nippon Television Network Cooperation. I would like to know how confidently and enthusiastically the Murayama government will deal with the political situation following the APEC meetings.

[Murayama] As I said earlier, APEC members have given high points to Japan's leadership in the APEC meetings. At the meetings, APEC economies agreed to establish a system of promoting trade liberalization in a democratic and realistic manner and that the system should reflect each country's liberalization programs. We had serious discussions concerning this. If the agreement were made as a matter of form, the contents of the accord would have been unreliable. APEC members agreed that they should trust each other and cooperate in making the Asia-Pacific region an open region. The Osaka meetings were of great significance in that member countries agreed that APEC should move from concept to action. Based on Japan's position taken at the APEC meetings, I think I should deal with the domestic political situation with confidence.

[Moderator] Next question, please.

[Reporter] I am from the INTERNATIONAL HERALD TRIBUNE. The prime minister, the leaders' declaration stresses an open region. APEC plans to promote trade and investment liberalization and fulfill various Uruguay Round commitments. I think APEC will play a major role in the WTO in the future. APEC adopted trade liberalization in the recent meetings, and my question is whether APEC will allow nonmember countries to participate in the liberalization process and whether it will promote relations with the EU.

[Murayama] If the world economy is considered, there should not be regional barriers for trade and investment. APEC should not promote the liberalization process only in the Asia-Pacific region. Therefore, the trade and investment liberalization and economic and technical cooperation agreed upon among APEC members should be promoted inside and outside the region.

[Moderator] Next question, please.

[NHK Reporter] I am Hayashi with NHK. Regrettably, President Clinton was not able to come to Japan. Mr. Prime Minister, how do you view the fact that President Clinton could not attend the APEC forum and that the Japan-U.S. summit talks, where the two leaders were supposed to issue a joint statement, did not materialize? When do you hope to realize the summit talks?

[Murayama] As you said, I deeply regret that President Clinton could not visit Japan. At the summit talks, President Clinton and I were supposed to issue a joint statement on the Japan-U.S. Security Alliance. However, this has also been canceled in line with the cancellation of the summit talks. Because this is one of the most urgent tasks, I have asked President Clinton to realize his Japan visit as soon as possible, and the two nations are now rescheduling his Japan trip.

[Reporter] I am from LE FIGARO of France. In a recent interview with NHK, U.S. President Bill Clinton proposed that a security organization, like a kind of little NATO, be established in the APEC region. What is the Japanese Government's opinion on this proposal?

[Murayama] As you know, APEC has been established to promote economic cooperation in the region. Thus, I think APEC activities should center on economic cooperation. However, I do not see any problem about APEC discussing security or other issues in future meetings. If necessary, APEC members should discuss such matters for peace and stability in the region. However, I do not believe APEC will immediately move toward establishing a collective security system.

[Kurikawa] I am Kurikawa from SANKEI SHIMBUN. I would like to ask you about remarks made by Minister Takami Eto. The prime minister, you said during recent talks with President Kim Yong-sam that what you said in a 15 August statement represents the feelings of most Japanese people. My question is whether we Japanese have to continually apologize Japan's past acts forever. South Koreans have said Eto's remarks hurt their national pride. Do you not think repeated apologies by the Japanese Government hurts Japanese national pride?

[Murayama] You should not say Japan would continue to apologize and that the government's apology hurts national pride. I think countries concerned need to squarely acknowledge past historical facts, and that they should have common understanding and recognition regarding past historical facts. It is important for these countries to establish friendly and cooperative relations while acknowledging past facts. I and President Kim had frank talks on this. I issued a statement and sent a letter to the president on 15 August, thinking I should make a clean slate of Japan's past history this year marking the 50th anniversary of the war's end so that the two countries could promote mutual cooperation toward the 21st century. Again, it is important for concerned countries to squarely acknowledge historical facts and cooperate each other for peace and prosperity in the future. I and President Kim agreed on this point.

[Moderator] Because of the limited time, the prime minister will take only a couple of more questions.

[Reporter] I am from DES NEWS AGENCY [name as heard] of Russia. The prime minister, 10 countries, including Russia, have expressed their hope to join APEC. Is APEC preparing for negotiations with these countries?

[Murayama] I am aware that many countries have expressed their hope to participate in APEC. There is an agreement among APEC members that the forum should not accept new members for three years. But this agreement expires this year. From now on APEC needs to fully discuss whether to accept new members next year and after. Some APEC members have noted that the forum should allow other countries to join APEC, while others have claimed that increasing APEC membership any further would cause many problems. Thus, full discussions are necessary to coordinate opinions.

[Moderator] Yours will be the last question.

[Reporter] I am from BUSINESS INDONESIA. For the first time, Japan officially announced yesterday that it would donate 10 billion yen to help establish a mechanism called PFP, or Partners for Progress. Were there any U.S. comments concerning this?

[Murayama] No, no countries have commented on this. Anyway, APEC needs capital to promote economic and technical cooperation and tackle such issues as those concerning population, food, energy, and environment. APEC should use our contributions for such purposes and to establish a framework in which APEC members can achieve development while cooperating each other. APEC economies have agreed on this idea. I hope more and more countries will make financial contributions. I have asked other APEC members to make contributions.

[Moderator] Thank you very much. We now close the news conference.

Tokyo To 'Closely Watch' U.S. Balance Budget

OW2011083395 Tokyo KYODO in English 0812 GMT 20 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 20 KYODO — Japan hailed Monday [20 November] the imminent end of a partial federal shutdown in the United States over a budget standoff.

"It is quite nice that the U.S. Government and the Republican Party have reached accord on a compromise to get government functions back to normal," Chief Cabinet Secretary Koken Nosaka, the top government spokesman, told a news conference.

The partial federal shutdown will be put to a close Monday, ending the six-day stalemate.

"We would like to closely watch how they will try to balance the budget in accordance with the agreement," Nosaka said.

'Perplexed' U.S. Position at APEC Noted

OW1811141495 Tokyo YOMIURI SHIMBUN in Japanese 18 Nov 95 Morning Edition p 3

[Article by YOMIURI SHIMBUN reporter Masakazu Nosaka entitled "The United States is Perplexed With 'Asian-Style' Negotiations"]

[FBIS Translated Text] The Asia-Pacific Economic Cooperation (APEC) forum adopted on 17 November a joint statement to the effect that member nations and regions will propose their own trade liberalization plans at meetings next year. Although the APEC members are not bound by the statement, the United States seems to have had no choice but to recognize anew the limits of the APEC rules that an agreement should be reached under the member nations' consensus. In APEC, the U.S. Government fails to take its hardline attitude—unlike in its negotiations with Japan, wherein it often takes a hardline stand calling on Japan to open its market. Rather than taking a firm position, the United States now stands on the defensive because it does not want to slow down an impetus toward trade liberalization that emerged following the Seattle and Bogor conferences.

President Clinton canceled his attendance at the meeting—giving the impression that he does not attach importance to Asia. There is no doubt that a decrease in the American voice at the meeting—which was conspicuous during a session that compiling the Action Agenda—stems from his cancellation of the visit to Japan. At the same time, it can be said that this proves that it has now become difficult for the United States to see through its APEC strategy.

Washington's biggest concern is that it cannot always picture clearly the future liberalization within APEC because the fate of the liberalization is in the hands of voluntary actions taken by APEC member nations and regions.

Malaysian International Trade Minister Rafidah Aziz, at a joint news conference following the ministerial meeting, said: "As for difficult trade areas, we will liberalize them at our own pace." In reaction, U.S. Secretary of State Warren Christopher and U.S. Trade Representative [USTR] Mickey Kantor looked dejected.

(A high-ranking U.S. Government official said) "We will give flexibility to the liberalization process; however, we want to achieve this by the target year, 2020." This is the U.S. Government's basic position. The Malaysian representative's remarks clearly reflected the positions of Asian nations, which do not want to see the United States taking the initiative in APEC. Thus, the United States, which made concessions and agreed to include "flexibility in the liberalization process," is being bothered by the Asian nations, which are proving hard to deal with. In addition, the President's budget problems with Congress cast a shadow over the American position in APEC.

This is because U.S. Secretary of State Christopher and USTR Kantor received—just before their departure to Osaka—a message from bipartisan Congress members criticizing the government's Asian strategy. The message said: "We are concerned that there will be further delays with trade and investment liberalization in the Asia-Pacific region. Failure to bring about a success in this area at the Osaka meeting would lessen confidence in the liberalization process."

For that reason, the U.S. representatives gave top priority to making the APEC meeting successful for the United States. However, the United States was clearly wedged between Congress and the Asian states within APEC—and racked their brains over this position. If they stuck to their principles as a superpower in the meeting, this would have led to repercussions from the Asian nations.

A recent report compiled by the Congressional Research Service (CRS) notes that 70 percent of the U.S. trade deficit—which amounted to $151 billion in 1994—stemmed from trade with the APEC region.

The U.S. aims to create job opportunities by expanding its exports to the rapidly growing Asian market and by promoting market openings in Asia via three steps: bilateral negotiations with such nations as Japan and China; the formation of a regional framework of APEC; and the conclusion of the Uruguay Round (of multilateral trade talks).

The cornerstone of the Clinton Administration is its "result-oriented" policy. But the Osaka conference showed that even if the U.S. Government takes various measures, it will be a very long time before the United States can be proud of its success.

Reports on Murayama Post-APEC News Conference

OW1911130695 Tokyo KYODO in English 1247 GMT 19 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 19 KYODO — The Asia-Pacific Economic Cooperation (APEC) forum can provide an opportunity to discuss regional security in the future in lieu of focusing only on economic issues, Japan's Prime Minister Tomiichi Murayama said Sunday [19 November].

"I don't think there is any problem if APEC takes up security issues as it continues to meet in the future," the premier told a news conference that marked the end of this year's APEC talks in this western Japanese industrial and commercial city.

"I think it's okay to discuss security issues with each other whenever necessary," said Murayama, who presided over an informal summit of APEC leaders.

Murayama's comments are a radical departure from Japan's traditional stance of viewing APEC as a forum to dwell solely on economic matters.

Tokyo had taken a position that APEC should deal chiefly with trade liberalization and economic cooperation, leaving security and other political issues up to the ASEAN Regional Forum (ARF).

But the Japanese premier also predicted APEC will not evolve into a theater for political talks anytime soon, saying, "I don't think it will become a forum to try to establish a collective security framework in the immediate future."

On APEC's stated goal of achieving free trade and investment in the 18-member region by the early 21st century, Murayama said each member economy has its own sensitive trade areas difficult to be liberalized swiftly.

"Japan's agriculture is one such example," Murayama said, responding to a question on whether Japan will open its farm market completely to other Asian countries' agricultural products.

"I also want to add that Japan is already the world's largest importer of agricultural products," Murayama noted.

APEC is committed to across-the-board trade liberalization by the deadline of 2010 for industrialized economies and 2020 for less developed economies.

Murayama noted that each APEC member is allowed to take "flexible" steps in trying to liberalize its own trade sectors, but he also reiterated the importance of APEC's principle of "comprehensiveness" over free trade.

At Sunday's informal summit, APEC leaders adopted the action agenda, a framework for achieving the regional group's trade-freeing goal, and adopted the Osaka Declaration to reiterate their commitment to sweeping trade liberalization.

"The action agenda which we adopted charts a comprehensive and specific route toward attaining the goals decided upon in Bogor, and we announce it with confidence. For its part, Japan will move to implement the action agenda with resolute determination," he said.

The Japanese leader also said there are no differences between Japan and the United States regarding China's possible entry into the World Trade Organization (WTO).

In their declaration, APEC leaders threw weight behind China's participation in the WTO, the global trade watchdog that succeeded the General Agreement on Tariffs and Trade (GATT) in January.

APEC comprises Australia, Canada, Chile, China, Hong Kong, Japan, Mexico, Papua New Guinea, New Zealand, South Korea, Taiwan, the U.S., and six of the seven members of the Association of Southeast Asian Nations — Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

Murayama, ROK's Kim Hold Bilateral Meeting

OW1811042795 Tokyo KYODO in English 0411 GMT 18 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 18 KYODO — South Korean President Kim Yong-sam said Saturday [18 November] "future-oriented" relations between Japan and South Korea will be established only when Japan looks squarely into its past history, a presidential spokesman said.

In a bilateral meeting with Japanese Prime Minister Tomiichi Murayama, Kim said repeated controversial remarks by Japanese leaders are hindering further development of Seoul-Tokyo ties.

Relations between Japan and South Korea have shown signs of deterioration in recent weeks due to remarks by Prime Minister Tomiichi Murayama and a former cabinet minister that were seen as justifying Japan's colonial rule of the Korean peninsula.

Kim stressed it is absolutely necessary for Japan to show an attitude of recognizing the past in a candid and correct way not only for Seoul-Tokyo relations but also for Japan itself.

In response to Kim's remarks, Murayama repeated what he said in a statement in August that Japan's colonization of the Korean peninsula inflicted enormous pains and sorrow on the Korean people.

Murayama also offered an apology for having hurt the feelings of Korean people with his recent remarks on the past and said he acknowledges the historical facts in a humble manner and is deeply repentant about past colonial rule of Korea.

Kim told Murayama it is desirable for Japan to move toward improving relations with North Korea in a way so as to contribute to development of inter-Korean relations.

The South Korean leader said that only in that way can South Korea try to promote inter-Korean dialogue and help maintain peace and stability on the Korean peninsula.

Responding to Kim's remarks, Murayama pledged Japan will stay in close touch with South Korea on formulating its North Korea policy. He also asked for Seoul's understanding of Japan's decision to supply free rice to the North, saying it was an exceptional measure.

Touching upon the trade imbalance, lopsidedly in favor of Tokyo, Kim urged Japan to exert an all-out effort to rectify the issue through increased investment in South Korea and expansion of transfers of technology.

Kim said the trade deficit may harm Seoul-Tokyo relations, pointing out that Seoul's trade deficit with Tokyo stood at $12 billion as of September.

Murayama told Kim the Japanese Government has taken steps aimed at relaxing regulations and thus South Korea's exports to Japan may increase in the future.

Murayama also said Japan will endeavor to see an increase in Japanese investment in South Korea and transfers of technology.

Kim told Murayama the Japanese rice aid to North Korea might hamper the unification of North and South Korea, Japanese officials said.

It also gave an impression that Japan-North Korean relations are above those between North and South Korea, Kim was quoted as saying.

North Korea made South Korea and Japan compete over the rice aid, Kim said.

Further on Murayama-Kim Summit

SK1811121295 Seoul YONHAP in English 1155 GMT 18 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 18 (YONHAP) — President Kim Yong-sam held a summit with Japanese Prime Minister Tomiichi Murayama at the Osaka mayor's official residence Saturday morning, exchanging views on Japanese historical perception of its past wrongdoings, Tokyo's relations with North Korea, and trade imbalance between the two countries.

The nearly-aborted meeting survived Monday after Takami Eto, Japan's management and coordination minister, resigned, taking responsibility for his controversial remarks that Japan "did some good things" during its 1910-45 colonial rule of Korea.

On a series of controversial remarks made by Japanese leaders, Kim told Murayama, "future-oriented relations between Seoul and Tokyo cannot be established if Japan does not have clear recognition of the past."

President Kim also commented on the Japan's rice aid to North Korea.

He said, "Japan's rice aid left an impression that Japan intervened in the issue without considering conditions for the progress of the inter-Korean relations. North Korea used the rice aid as an opportunity to alienate Japan from South Korea, and Japan was embroiled in the North Korean attempt. As a result, Japan left the impression of obstructing the unification of the Korean peninsula."

In response, the Japanese leader was quoted by the source as saying, "The Japanese Government has a clear position that if there is something for Japan to apologize about, it will. And of course, Japan will look at the history straight."

Kim called on Japan to promote its relations with North Korea in such a direction conducive to the improvement of inter-Korean relations. Murayama promised to pursue such dialogue through close consultation with Seoul.

Murayama also presented three principles of Japan's possible normalization of diplomatic relations with North Korea.

Japan will not hurt South Korean-Japanese relations in its attempt to normalize its diplomatic relations with North Korea, push for the negotiation with Pyongyang for the normalization, keeping pace with the progress of the inter-Korean relations as well as going a direction conducive to the improvement of inter-Korean relations.

Japan will not provide economic support for North Korea before the normalization of diplomatic ties with North Korea, Murayama said.

"Japan's recent rice aid to the North was exceptional and special," he said, hinting that Japan will not give rice aid to the North without consultation with South Korea.

The heads of the two governments also agreed to actively study ways to establish a joint history research and consultation body.

To remedy the trade imbalance between the two countries, Kim called for Japan to invest more in and expedite technology transfer to South Korea, whose trade deficit with its Japan stood at 12 billion U.S. dollars as of the end of September.

Murayama responded that Japan will expand its investment in and technology transfer to South Korea.

Meanwhile, Kim and Thai Prime Minister Banhan Sinlapa-acha are to meet Sunday afternoon to discuss ways of promoting further cooperative ties in taking advantage of the complementary nature of the two countries' economies. They are also expected to agree on positive cooperation for the success of an Asia-Europe summit conference slated for next year in Bangkok.

Murayama, Jiang Zemin Hold Bilateral Talks

OW1811032495 Tokyo KYODO in English
0311 GMT 18 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 18 KYODO — The Japanese people should have a correct understanding of history to lay the basis for better future relations, Chinese President Jiang Zemin told Japanese Prime Minister Tomiichi Murayama on Saturday [18 November].

In a bilateral meeting, Murayama said that most Japanese share his sentiment expressed in a statement issued Aug. 15, in which he expressed his "heartfelt apology" for Japan's colonization and aggression in Asian countries during World War II, Japanese officials said.

Jiang was quoted as saying that he believes most Japanese have such an understanding but some do not.

A correct perception of history will lay the basis for the future, Jiang said.

The Chinese president thanked Murayama for his visit in May to the Marco Polo Bridge near Beijing, where the Japanese military began its invasion of China in 1937.

Murayama reiterated his request that China stop conducting nuclear tests. Jiang responded by saying the issue was discussed between the two countries' foreign ministers the previous day, the officials said.

Jiang Leading Talks

OW2011093995 Tokyo YOMIURI SHIMBUN
in Japanese 18 Nov 95 Evening Edition p 3

[By Koshi Umano]

[FBIS Translated Text] Summit talks between Prime Minister Tomiichi Murayama and Chinese President Jiang Zemin on 18 November fell into substantial disagreement. China's nuclear tests, the issue of greatest concern to Japan, was only touched on briefly at the end of the meeting. Meanwhile, referring to a future-oriented relationship between Japan and China, Jiang tactfully reminded Murayama of Japan's problematic view of history, saying "to view history in a correct way is the basis on which to build the future." Japan seems to have been confronted with China's shrewdness once again at the talks.

These were the third Sino-Japanese summit talks since January 1995. At the Beijing talks in May, even though China showed understanding of a "future-oriented" relationship, it strongly demanded Japan "reflect on its past acts." At the New York summit in October, at which the Japanese prime minister protested at China's nuclear testing, his Chinese counterpart nevertheless obtained the Japanese leader's verbal commitment that Japan "would not link nuclear tests with yen loans to China." The recent talks seem only to have repeated the pattern of the past.

In line with its position of "seizing every opportunity to demand a halt to nuclear tests," Japan intended also to give much weight to the issue of China's nuclear tests in the recent talks. However, the talks proceeded with China taking the lead from beginning to end. It was not until toward the end of the talks that Prime Minister Murayama finally mentioned nuclear testing, which Jiang brushed aside lightly, saying "it has already been discussed in yesterday's talks between the foreign ministers of the two countries."

The prime minister, though, was in a difficult position because his own remarks made at a Diet session on the Korean annexation treaty stirred a diplomatic controversy that had not yet been completely settled. It cannot be denied that this is the reason why Murayama felt unable to take a strong stance toward China, where Japan's view of history often stirs controversy as it does in the ROK.

Japan, therefore, is again faced with the problem of finding a breakthrough in the fixed-pattern of diplomatic talks with China on nuclear tests.

Financial Friction With U.S. Viewed

OW1711064895 Tokyo SANKEI SHIMBUN in Japanese 10 Nov 95 Morning Edition p 3

[Article by Tsuneo Miura, part two of the three-part series "Shaky Japan-U.S. Alliance: The 20 November Summit;" this installment entitled "A Sudden Cause of Friction"]

[FBIS Translated Text] On 29 October, senior officials of the Banking Bureau of the Ministry of Finance [MOF], as if avoiding the eyes of others, came together to the fourth floor of the MOF building, where it is usually quiet on Sunday. It was also three days after the U.S. authorities had notified the Japanese side of their decision to order the Daiwa Bank "to shut down all its business operations in the United States" as of 2 November (3 November, Japan time) over its illegal transactions in large amounts of U.S. Government bonds. After being notified of the U.S. decision, the MOF officials continued a heated discussion on how to punish the Daiwa Bank.

"Although it was expected, the U.S. punishment is extremely severe. Our action has to balance that."

"It will be the first case in which a city bank is ordered to improve business operations based on the Banking Law and the Trust Business Bank Law. Penalties under the Foreign Exchange Control Law will also be the first since the law was enacted. I think these measures are enough."

The contents of the MOF's punitive measures against the bank, including shrinking its international business operations, were decided on after the above exchange. The MOF sent Sei Nakai, Banking Bureau deputy head, to the United States on 31 October to explain its punitive measures. Moreover, it instructed Takatoshi Kato, deputy vice minister for financial affairs, to go there from Europe, where he had gone on business. The Japan-U.S. summit is set for 20 November. By then, the MOF must somehow mend the rift between the Japanese and U.S. authorities caused by the Daiwa Bank incident.

At any rate, the MOF made repeated mistakes in judgment on the Daiwa Bank case. It received the first report on the case from the bank on 8 August. However, it took the MOF more than 40 days to inform U.S. authorities of the incident. During that period, the U.S. authorities, unaware of the incident, had allowed Daiwa Bank to repeat sales of U.S. government bonds, which could be seen as an attempt to conceal a crime.

Because "the United States, which prides itself on managing the world's fairest financial market, has lost face," it aimed its anger not only at the Daiwa Bank but also at the MOF (according to a major city bank in the United States). However, Japan's reaction was incoherent.

Finance Minister Masayoshi Takemura had earlier asserted, "(the MOF's handling of the case) was appropriate." In other words, this means that the MOF's way of coping with the incident was appropriate from the viewpoint of the Japanese manner, in which a situation is first settled behind the scenes and then announced. The MOF probably believed that this Japanese way could minimize the adverse impact. However, the current case is an international incident. At last, the finance minister acted disgracefully on 11 October by making a phone call to U.S. Treasury Secretary Robert Rubin to explain Japan's stance.

It has been said that no emergent and important economic issue will be brought up at the forthcoming Japan-U.S. summit meeting. This is because the automobile negotiations, the greatest pending issue, have been concluded somehow. However, the Daiwa Bank incident has again enhanced the deep-rooted U.S. distrust of the Japanese way of solving problems through administrative leadership.

Although a senior MOF official asserted that the rift between Japan and "the U.S. authorities was healed with the minister's phone call," all the influential mass media in the United States have continued to criticize the MOF's stance. There is also speculation in Japan that the "U.S. Government, backed by public opinion at home, will surely take a hard-line stance on the financial issue." The issue has suddenly cropped up as a topic for the Japan-U.S. summit meeting.

The financial issue does not concern only Japan but directly affects the world economy, because funds are transacted in a moment, crossing national borders. This is why the United States has an unusual interest in and concern over Japan's issue of enormous nonperforming loans, amounting to more than 40 trillion yen. It even held a public hearing on the issue.

In this regard, the MOF tried to find out ways to solve the nonperforming loan issue, including the housing loan corporations (jusen) issue, before the summit meeting. However, it has not yet come up with an outline of ways to solve various issues such as the introduction of public funds to liquidate bad loans. Even Hugh Patrick, a professor at the U.S. Columbia College with close connections to the MOF, is critical of the MOF, saying: "The MOF and financial circles have delayed dealing with the issue, thus dragging out the problem." Under these circumstances, the Daiwa Bank incident occurred.

It cannot be said that there is no issue pending other than the financial one. The Japan-U.S. Semiconductor Agreement, which was revised and renewed in 1991, expires in July 1996. The issue of renewing the agreement "may become a major topic of trade issues at the upcoming summit meeting." The list of deregulations that the United States will soon ask Japan to implement is expected to include abolishing the large-scale retail stores law in the year 2000 and easing conditions for foreign firms' access to the telecommunications industry. Steps must be taken to follow up on the automobile agreement have to be taken, and bilateral aviation negotiations continue. The Daiwa Bank incident may ignite these issues.

Regarding U.S. pressure on Japan, Kent Calder, a Princeton University professor, pointed out in a 6 November speech that "there is a very dangerous aspect, and its pressure is increasing." Because there are many difficult issues in the political field, the MOF thinks the two leaders "will not have much time to discuss the economic issue at their summit" (as stated by a senior MOF official). However, the possibility that President Clinton will demand a new "result" in view of the U.S. presidential election cannot be ruled out.

Daiwa Submits Plan To Halve Overseas Assets

OW2011124095 Tokyo KYODO in English
1204 GMT 20 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 20 KYODO — Daiwa Bank, now under indictment in the United States in connection with a loss cover-up scandal, said Monday [20 November] it submitted to the Finance Ministry a plan to halve the cumulative value of its overseas assets, such as loans and securities, within a year.

The program calls for slashing the aggregate value of such assets by 50.5 percent by the end of October 1996, the bank said.

Bank officials said it took the move to comply with a series of punitive measures ordered by the ministry Nov. 3 for breaching the Foreign Exchange and Foreign Trade Control Law around 1984-1987 by the transfer of a huge loss at its trust banking unit, Daiwa Bank Trust Co., to its Cayman Islands entity to hide the loss.

The transfer revolved around Daiwa Bank Trust. The case is separate from the 1.1 billion dollar bond-trading loss racked up and concealed by its trader Iguchi Toshihide at its New York branch. Daiwa is now facing a trial on a charge of ordering the cover-up for the 1.1 billion dollar loss and other charges.

When the latest program is carried out completely, the aggregate sum of its overseas and domestic assets will plunge to a level equivalent to the 88 percent of its assets it held as of March 31, 1995, they said.

Under the program, Daiwa Bank would whittle down by 30.1 percent the cumulative balance of its overseas loans extended by its overseas branches and the head office in Osaka from their balance as of Sept. 30, 1995, while slashing the balance of securities held overseas by 50.2 percent, they said.

In addition to these steps, the plan calls for Daiwa Bank to withdraw gradually from the overseas bond-dealing market, such as the U.S. Treasury securities market.

As a result, the balance of a range of assets held by the bank's international business division will be reduced by 26.7 billion dollars, they said.

Daiwa Bank was ordered by the U.S. Federal Reserve Board [Fed] to get out of the U.S. by Feb. 2 by terminating its U.S. operations and shutting down its 17 U.S. branches, including the New York branch. The Fed also accused the bank of covering up the loss.

The branches, with the exception of the New York unit, will be sold to Sumitomo Bank or other financial institutions, they added.

Daiwa Bank reportedly has overseas assets of more than 5 trillion yen, of which 1.2 trillion yen is in the U.S.

Publicly Funded Financial Bailout Explained

952A0778A Tokyo FORESIGHT in Japanese Aug 95 pp 40-43

[Article by Masaru Yoshitomi, deputy director, LTCB Consulting & Research Institute]

[FBIS Translated Text] Japanese financial institutions are holding large amounts of nonperforming assets. The collapse of the two Tokyo-based credit unions, Tokyo Kyowa and Anzen, in December, 1994 and the suspension of business of Cosmo Credit Union in August, 1995 are just the tip of the iceberg.

There is growing support for the idea that introducing public funds is necessary to solve the nonperforming asset problem, but misunderstanding and confusion among the Japanese people about this issue abounds.

The most significant of these misunderstandings stems from the fact that people have completely misinterpreted the purpose of the funds, asking "what in the world the public funds will be used to rescue." Another common misunderstanding is the "financial institution bailout theory," which says that the funds will be used to bail out financial institutions whose management has gone bad. These misunderstandings arise from the fact that people do not understand a fundamental formula, namely that public funds are introduced only after a financial institution whose management has gone bad folds, goes into bankruptcy, and then is shut down.

There Is No Such Thing as "Bailing Out a Financial Institution"

Let's take an actual financial institution whose management has gone bad, let it fold, and then shut it down. You are going to have to get rid of management, and the shareholders who invested in it won't get their shares back. At this point it's the same as when a regular corporation goes bankrupt. But then what do you do with the creditors? You sell off the bankrupt company's assets and distribute the proceeds from the sale, but you can't avoid enormous losses in doing so. By the way, when you're talking about creditors of a financial institution, that basically means depositors, so it's the depositors who sustain the enormous losses.

Irretrievable deposits lead to a run on a bank. Deposits can be withdrawn from a financial institution where management has gone bad and redeposited in a financial institution thought to be healthy, but it's not clear to the average depositor which bank is healthy and which is not. So you may have a situation where a run on a given unhealthy bank triggers a general panic among depositors who end up withdrawing their deposits from healthy financial institutions as well. The financial system is comprised of a pyramidal structure of credit-building that assumes deposits are safe. So once deposits start being withdrawn from one financial institution, the supply channels for credit narrow manifold. In addition to tighter money is the problem of the funds settlement mechanism breaking down. Deposits are one way companies and consumers settle their debts. If deposits are no longer available as a means of settlement because of the failure of one financial institution, consumers and corporations that had been using deposits to make remittances suddenly need a new means to settle their accounts.

This sort of tightening of the credit supply and undermining of the settlement mechanism has a direct weakening effect on manufacturing and investment activity and hurts entrepreneur and consumer confidence. The result is what you see in the Japanese economy today, which is only a slight recovery in economic outlook and the growing threat that the economy will be pulled down further and the recession will deepen.

You can eliminate this threat by guaranteeing the principal on deposits. The Deposit Insurance Corp. [DIC] guarantees a single deposit up to 10 million yen by setting aside insurance premiums paid by private financial institutions in installments. (This comes to approximately 876 billion yen, plus 500 billion yen in loans from the Bank of Japan. An additional approximately 100 billion yen comes from the Savings Insurance Corporation for agricultural and fishery cooperatives.) The problem is that sometimes not even this is enough to pay back deposits, depending upon the number of failed financial institutions that have been shut down and the amount of deposits involved. Public funds are introduced to make up the difference when these deposit insurance corporations' reserve funds are insufficient.

In short, public funds are only introduced for the first time after the deposit insurance corporations' reserve funds are deemed insufficient to guarantee the principle on deposits of failed financial institutions that have been shut down. When you look at it this way, it becomes clear that the purpose of public funds is to "rescue depositors" and ultimately to keep the credit and fund settlement mechanism sound. Public funds are only used when a financial institution has been shut down or its business has been suspended rather than when its management has gone bad. You should get an idea of just how wrong the "financial institution bailout theory" is from this.

What Are the Criteria for Shutting Down a Bank?

At this point however, a major economic policy issue arises. When a corporation cannot repay its loans, it simply goes bankrupt, but when a financial institution cannot repay its loans—that is, when its management goes so bad it is unable to repay deposits—there will probably be no run on its deposits as long as they are guaranteed.

When a run doesn't occur, the financial institution carries on with business as usual on a one-way track to worsening fortunes because it cannot bring in sufficient earnings when it is holding huge amounts of nonperforming assets, on which principal is irrecoverable and interest is not being paid. So it leaves the nonperforming loans as they are and starts getting involved in high-risk loans to get high returns. Most of these loans will fail and management will get increasingly worse. In addition, these financial institutions advertise that their deposits as safe due to the DIC and offer higher-than-market interest rates to attract more depositors. Depositors respond to this assuming that there is no risk and a high return. When financial institutions and depositors use deposit insurance in this way it is legal economic behavior, strictly speaking, but it brings great harm to society as a whole (the so-called moral hazard). In so far as this trend is not countered, the amount of deposits that will have to be covered by public funds will only grow further. This actually became a major problem in the United States.

A solution to problem loans had been put off so long they got so big that approximately 800 savings and loan associations (S&L's), the original home mortgage companies, were forced to close down. The Federal Reserve had to pay out approximately 15 trillion yen (approximately $150 billion) in federal funds to cover the S&L's deposits.

As you can see, when no run on deposits occurs, a bank does not go bankrupt, but its management is very likely to worsen. This will result in an undetected expansion of the amount of public funds necessary to repay deposits. In this case, the financial authorities have no choice but to take the drastic step of "shutting down" such financial institutions.

What, then, are the criteria for closure and who uses those criteria to force a bank to close down?

The difference between a healthy bank and one whose management has gone bad lies in their [relative] capacities to repay deposits, or their level of solvency, which is the amount of total assets they hold valued at market rates that correspond to deposits. For example, normally, total assets with a market value of 100 billion yen when liabilities (deposits) are 90 billion yen yield 10 billion yen in net worth. When this is the case, the amount by which total assets at market value exceed deposits constitutes the amount of net worth the bank has, indicating that its solvency, or the "buffer" with which it has to repay deposits is 10 billion yen. Even if the bank's loans go bad it can repay deposits from its store of net worth.

However, if nonperforming assets grow, for example to 15 billion yen, the market value of total assets falls to 85 billion yen—100 billion yen minus 15 billion yen. When the market value of its total assets falls below 90 billion yen, indicating that the bank is unable to repay deposits and that its liabilities exceed its assets, means that the bank is insolvent. In other words, when nonperforming assets exceed net worth and the net worth is actually negative, the bank is insolvent and should be shut down.

When all net worth is allocated to repaying deposits after a bank is shut down, this becomes a total loss of capital investment to shareholders and investors. The bank has failed so managers are let go. It's within the range of the DIC to cover the deposits when the bank is unable to repay 5 billion yen in deposits, but when there are many financial institutions unable to pay large amounts of deposits, not even the DIC can cover them all and that is when public funds are introduced to make up the difference.

As you can see from this example, the 15 billion yen in nonperforming assets is not necessarily exactly the amount of public funds that will have to be supplied, because if nonperforming assets can be written off from net worth, then DIC funds and fiscal loans will not be used. The aggregate amount of public funds required can only be determined by looking at the balance sheet of each and every financial institution individually and determining the average of nonperforming assets for all of them, because, on average, nonperforming assets do not exceed the net worth of all banks combined. This is why disclosure is necessary.

Amount of Public Funds Required Is Small

There is a broad variety of financial institutions that take deposits. These are city banks, long-term credit banks, trust banks, first-tier regional banks, second-tier regional banks (the former mutual savings banks [Sogo Ginko]), credit associations, credit unions, and the agriculture-related financial institutions. Only the city, long-term credit, trust, and first- and second-tier regional banks disclose their nonperforming assets, while none of the financial institutions below this level do. Of those, the only nonperforming assets the city, long-term credit, and trust banks disclose are "loans to bankrupt borrowers," for which principal is irrecoverable, and "loans with delayed interest payments," on which interest has not been paid for six months or more. Unless no interest at all is being paid on a loan, it isn't considered nonperforming. When it is just barely being paid via additional financing from the bank itself, it is in fact a nonperforming loan. These unofficial nonperforming assets are primarily loans made to the housing loan corporations (Jusen) and other nonbanks, such as the leasing companies.

You should note here that a nonperforming asset is not the same thing as an irrecoverable asset. A company that has taken out loans defined as "loans with delayed interest payments," for example, may see its business pick up in the future and when it does it may be able to repay the loans. Most borrowers of loans defined as "loans to bankrupt borrowers" have indeed gone bankrupt so the likelihood of recovering them is almost zero. It's probably safe to consider 70 percent of both types of nonperforming assets combined, depending upon their relative proportion to the whole, as irrecoverable.

You have to write off nonperforming assets and ultimately take them off your books, which is why banks set aside loan-loss reserves, a portion of net worth. The two sources for setting aside these loan-loss reserves are operating profits and capital gains realized from the sale of stocks. Banks have been making equal use of both sources.

To the extent that it is possible to write off nonperforming assets from the bank's net worth, including its loan-loss reserves, banks will not become insolvent with their liabilities exceeding their assets. This means that public funds, the topic of this article, will ultimately not be necessary. This is the situation that most of Japan's major banks are in.

Therefore, deciding on the amount of public funds that is required is not just a matter of adding up all of the nonperforming assets or the irrecoverable assets that Japanese financial institutions hold because public funds will only be used to cover the deposits of financial institutions that have become insolvent. It is primarily the second-tier regional banks, credit unions, and agriculture-related financial institutions that have become insolvent and not all of those are insolvent. So the requisite public funds are far less than one-tenth the several tens of trillions of total nonperforming assets said to exist.

In the cases of Tokyo Kyowa, Anzen, and Cosmo credit unions, each was "shut down" because it had become insolvent upon the instruction of the Governor of Tokyo. It is the Tokyo Metropolitan Government that has authority over [Tokyo-based] credit unions and the Ministry of Finance that has authority to issue such an order for the nationwide banks [from the city banks down to the second-tier regional bank level].

Once you shut a financial institution down two problems immediately arise: first, is what to do about its deposits; and second, is what to do about its nonperforming assets.

The deposits of Tokyo Kyowa and Anzen credit unions were transferred to the newly established Tokyo Kyodou Bank, which was established when the Bank of Japan [BOJ] and private financial institutions made capital investments to form it, allowing only the sound assets to succeed on to the new institution. It is commonly known as the "good bank" guaranteeing the deposits that had been made at the two credit unions. The capital investment made by the BOJ was made through special financing allowed by Article 25 of the Bank of Japan Law, which is a type of public funding.

The Cosmo Credit Union had to take emergency measures to repay deposits when it experienced a run on its deposits. The National Federation of Credit Unions took steps to ensure that there was a flow of funds to quell the anxieties of depositors about getting their deposits back, although all of Cosmo's deposits were guaranteed. But this was an emergency measure to counter a cash liquidity squeeze; the question of how ultimately to guarantee the principal of the remaining Cosmo deposits had not been settled as of 4 August when this article was written.

The principle [outlined in the Tokyo Kyowa and Anzen cases] is basically the same for Cosmo, meaning that a financial institution is needed to step in and take over the deposits and sound assets of Cosmo Credit Union. If an existing financial institution comes forward to take over both sound assets and deposits, Cosmo's deposits will be safe. If no such financial institution appears, something similar to Tokyo Kyodou Bank will be necessary.

Governor Aoshima's Explanation Is Flawed

With whose funds, then, will the nonperforming assets be written off? In the case of Tokyo Kyowa and Anzen credit unions, it was primarily the DIC, private financial institutions, and the National Federation of Credit Unions that put up the funds, while the Tokyo Metropolitan Government's share of the rescue has not yet been decided by the Tokyo Municipal Assembly. The Tokyo Metropolitan Government's share of public funds is expected to come in the form of 30 billion yen in low-interest loans (at 1 percent interest). While it is true that the DIC is a public institution, it was private financial institutions that paid the funds in installments into the DIC as insurance premiums in the first place. It is true though that the DIC can receive a specified amount of funding from the BOJ.

The reason the Tokyo Metropolitan Government has to undertake public funding (with fiscal funds) is that it has supervisory authority over the credit unions [in the Tokyo Metropolitan area]. Here the question about whether public funds are going to be used to write off nonperforming assets rather than to secure deposits may arise. In the case of the two credit unions, it was only possible to establish the "good bank" once nonperforming assets had been written off and their deposits were only safe once they were transferred to the "good bank." Once the financial institution is shut down, the safety of its deposits is secured through their transfer to another financial institution, whether that be an existing institution or a newly established one as in the case of Tokyo Kyodou Bank. But writing off nonperforming assets is a requirement for the transfer of deposits and the Tokyo Metropolitan Government's fiscal funds had to be used to meet that requirement. If the deposits had not been transferred, the DIC would have had to repay the deposits all by itself. But at a little less than 900 billion yen, the DIC's funds are not much more than the approximately 650 billion yen in combined deposits of the three credit unions, Kyowa, Anzen, and Cosmo. It is for this reason that public funds became absolutely necessary.

The basic principle of protecting deposits and writing off nonperforming assets is applicable to Cosmo Credit Union. Another financial institution—most probably Tokyo Kyodou Bank—will assume Cosmo's sound assets and deposits and the supervising authority, the Tokyo Metropolitan Government, will contribute fiscal funds.

Governor Aoshima was against using the Metropolitan Government's funds to write off loans of the Tokyo Kyowa and Anzen credit unions, but permitted it in the case of Cosmo Credit Union. In light of the aforementioned basic principle of deposit protection and bad loan write-offs, this is clearly contradictory. But Governor Aoshima explains that there is a difference between the two, which is that Tokyo Kyowa and Anzen collapsed because of disorderly management and ill-intentioned large-scale deposits, whereas that wasn't the case with Cosmo. What both have in common is that they are now insolvent. In both cases they offered higher-than-market interest rates once management began to go bad to attract large-scale deposits. So what is the basic difference? The presidents of Tokyo Kyowa and Anzen have both been charged with breach of fiduciary duty—with the crime of causing financial losses to their respective credit unions in an attempt to profit themselves or a third party. This is probably what Governor Aoshima refers to as disorderly management. Whereas at this point in time, the president of Cosmo has not yet been charged with a crime. You could say he simply failed to manage the credit union.

Is it wise, then, to determine whether to employ public funds for financial institutions that are equally insolvent based on whether their presidents have been charged with a crime or not?

If you return to the original question, "what are public funds to be used for?," you will find the answer, which is to protect depositors and subsequently to stabilize the financial system. In other words, rescuing an insolvent financial institution does not mean helping disordered management. You shut down insolvent banks and you guarantee their deposits. These are economic principles. If you understand this once and for all, it becomes clear that whether the managers have been charged with a crime or not does not change the economic principles of these situations. Therefore, Governor Aoshima's explanation is not correct.

The aforementioned economic principles can be applied to the situations of financial institutions that have become insolvent as a result of huge amounts of loans to the housing loan corporations going bad as well.

Formation of New SDPJ Party Faces Difficulty

OW1711143195 Tokyo AERA in Japanese 6 Nov 95 PP 6-9

[Article by AERA editorial staffer Taro Sato: "Did Mr. Yokomichi's Plan Go Wrong?"]

[FBIS Translated Text] On the evening on 22 October, there was a gathering in Tokyo, attended by Takahiro Yokomichi, former Hokkaido governor, Yukio Hatoyama, Secretary General of Sakigake [Harbinger], and Wataru Kubo, Secretary General of the Socialist Democratic Party of Japan [SDPJ].

Secretary General Kubo asked the pair whether they were interested in joining an SDPJ plan to form a new liberal political party.

To this, Yokomichi replied, "Mr. Kubo, the backbone members of the SDPJ's and young people in the party are waiting for your word." He added, "I wish you would take action as fast as possible so that ideals and policy matters can be discussed with Sakigake."

Hatoyama said, "Sakigake cannot just cooperate with a plan to establish a new political party, simply on the grounds that time is running out." He added, "I do not find seriousness on the side of the SDPJ in its attempt to launch the plan together."

In the long run, the two men did not clearly commit themselves.

Fervent Anticipation on the Leading Pair

At present, Yokomichi and Hatoyama are gathering attention as the two leading personalities to shoulder the contemplated new liberal party that would stand against the Liberal Democratic Party [LDP] and the New Frontier Party [NFP]. In the talks, differences in their standpoints became apparent between Yokomichi, who attempts to gather support from wide walks of life by hoisting standards outside the SDPJ, and Kubo who wishes to realize the formation of a new party while insisting on remaining within the SDPJ.

After retiring from the governorship of Hokkaido, Yokomichi has appealed to the need for creating a new type of political force formed by a horizontal network of civil and labor organizations, different from the conventional type of political parties that acts on orders from above.

Entering into this year, Banri Kaieda, representative of the Democratic New Party Club and Masanori Goto, the SDPJ's deputy secretary general, joined Yokomichi and Hatoyama by agreeing to the necessity of forming a third polar force. It was a new movement immediately after an effort to establish a new political party promoted by Sadao Yamahana, former SDPJ chairman, failed.

And one day in May, four men met with Yokomichi at an Akasaka Prince Hotel room. They were Hatoyama, Kaieda, former SDPJ Diet member Yoshito Sengoku and editor in chief Hajime Takano of INSIDER, who had sympathetic feeling toward Yokomichi's idea of forming a third polar force.

Everybody felt the limits of the SDPJ's efforts to establish a new party, because the SDPJ had been unable to present any prospect nor strategy at all in the face of the forthcoming election in which a single-member constituency election system is to be introduced. The five conferees felt impatience about their inability of bringing forth the third polar force. Sengoku urged, "Mr. Yokomichi, if you do not make up your mind to rise up, there will no longer be a place for you to act any more."

Kaieda felt a deep emotion because he recalled afresh a series of events that took place in September last year. At that time Kaieda made public that he would not join the united faction of the House of Representatives formed by such opposition party factions as the New Frontier Party, Komeito [Clean Government Party] and so on. Immediately after that he visited the then Hokkaido Governor Yokomichi at the latter's official residence in Sapporo City and called for establishing a new political party together.

Political Party To Be Joined by Localities

Yokomichi eloquently explained that he was making rounds of trips in Hokkaido to meet people from all walks of life in order to appeal them to join hands in creating new politics.

As a result of the meeting, they agreed to proceed with their activities in concert with each local situation and take separate action from those of the SDPJ.

After that meeting, the five new party promoters helped organize a number of "Liberal Forums" in succession at various localities. Whenever a Liberal Forum meeting is held, It was agreed that the — Yokomichi, Hatoyama and Kaieda — trio would not fail to act together.

The Liberal Forum has two meanings. Hatoyama explained about the first one this way, "The old 1955 order is still alive among voters. When Diet members discuss the matter, they would come to an understanding that 'the idea is not radically different from theirs.' In order to eradicate the rejection reaction among the voters, I wanted to make a tour of the whole country together with Yokomichi and Kaieda to appeal that it is no longer the time that represents the 1955 order."

In short, it is a trip among both LDP and SDPJ supporters.

About the second meaning, Kaieda has this to say: "It was meant to emphasize the difference from the ongoing conventional political parties. It is not that local organizations exist under the headquarters on top. The new concept is that a national party is a collective body of local organizations. In short, this is a political party to be participated in voluntarily by citizens, legislative assemblymen and labor unions."

Aiming at Single-Seat Election in Hokkaido

Yokomichi seemed to have made quite a bit of covert effort to form the Forums. According to a Yokomichi's supporter who worked together with him when Yokomichi was Hokkaido governor: "He was a man who had never thought of others except for himself. He is now moving around to establish a new political party by sacrificing himself. This owes greatly to Hatoyama."

About Yokomichi, who did not seem to move after retiring from the governorship, labor union leaders complained, "he does not go along with us even when we set the stage for him." But Yokomichi adamantly refused to compromise by saying, "Hatoyama is a must in order to build a third pole."

Why is Hatoyama an indispensable man for Yokomichi? Yokomichi wants to secure enough votes in Hokkaido so he can exert a definite influence on the national administration. He knows that Hatoyama has the ability to muster a wide range of support. In short, Hatoyama has such a personality that victory in Hokkaido elections is assured if his cooperation is won.

That is not all. Tadamasa Kodaira, member of the House of Representatives elected from the fourth district in Hokkaido, defected from the NFP in September on the grounds that he did not agree with the NFP's election strategy. And behind it was Yokomichi's approach.

The rough image of pulling a Diet member out of the NFP is not becoming to the impression Yokomichi has given up until now, but it may be proof that he is very attached to the idea of establishing a new party.

Yokomichi, however, has in anguish. Although it is necessary to coordinate with those in Sakigake including Hatoyama, he holds the position of secretary of that party.

On an autumn day of 21 October with a nationwide clear sky, a symposium was held at Hotel New Otani Sapporo under the sponsorship of Hatoyama. Yokomichi and Shusei Tanaka, acting president of Sakigake, were present.

Once on the platform, Tanaka began his speech by saying, "I wonder why Hatoyama and Yokomichi brought me here." Thus he expressed his doubt whether Yokomichi and Hatoyama wanted to have Tanaka join in the debate of establishing a new political party. Tanaka, who is reputed to be an "adherent of Sakigake's principle," respects Sakigake's independence and insists that from now on is the time when political parties can display their real value.

To Tanaka who stood on guard, Yokomichi fervently appealed, "Mr. Tanaka, you have had a lot of experience in two years since the birth of the Hosokawa regime. In order to utilize them for good ends, you must survive as a political force in the realistic world of politics." Yokomichi meant that a politician cannot survive after the next general election if he remains in the framework of Sakigake only. It was an appeal to Tanaka to rise up together for the objective of uniting a new political force.

In order to join hands with Hatoyama, Yokomichi reasoned it necessary to take in Tanaka who is a good orator and who can hardly be deceived. Yokomichi also thought it necessary to take in Finance Minister Masayoshi Takemura, who has gone through the pandemonium of political world as the head of Sakigake. When asked about the personality of Takemura by Hatoyama, Yokomichi replied, "he reminds me of Francois Mitterand, who succeeded in uniting the segmented French Socialist Party. I hope he would perform such a role in Japanese politics."

Hatoyama, who surfaced as a star player in the scheme of creating a new political party, is expected to make a careful statement about a prospective party, when he comes to a realization that he is Sakigake's secretary general. But Yuichi Takami, Sakigake member of the House of Representatives, who is a good sympathizer of Yokomichi and Hatoyama, retorts, "it is said that Hatoyama's remarks waver but his mind never wavers at all." He added, "it has been determined that 'a new political party will be formed before the general election.' He thinks it is all right to sacrifice Sakigake for the purpose of creating a new political force."

In the evening of 16 September when a typhoon was approaching, the trio of Yokomichi, Hatoyama and Takami flew from Takamatsu City, where a Liberal Forum was completed, to Osaka and checked in at Osaka Hilton.

From 10 P.M. to 2:30 in the following morning, they were said to have discussed in detail about the process of forming a new political party and its time schedule. Were they choosing a time to announce the whole process?

Call for Takemura Is Not Coincidental

At around the time when a Hatoyama-sponsored symposium was held in Hokkaido, supporters of Takako Doi, speaker of the House of Representatives, held a symposium at the Japan Education Hall at Hitotshubashi, Tokyo, and Takemura was present at the gathering. Doi, who had kept back remarks of political nature until then, made a daring statement, "now is the time when those who have the same wishes even though they belong to different camps join hands to attain the same goal and Mr. Takemura is one such person."

It is not a coincidence at all that critical "calls for Takemura" were made simultaneously in Hokkaido and Tokyo and such remarks were made by none other than those who seemed to have conspired beforehand.

The "Sponsors' Conference for a New Political Power," propelled by the SDPJ in the core, hopes that Sakigake would participate in the plan. But Sakigake has not shown any interest in it. In such a situation, a "Takemura's New Party" concept as a trump card to connect the SDPJ and Sakigake was leaked from the Labor Unions Congress for Propelling the Establishment of A Democratic Liberal New Party organized by SDPJ-supporting labor unions.

On 13 October, an unofficial meeting was held by Prime Minister Tomiichi Murayama, Doi and Takemura at the Prime Minister's official residence. Yokomichi had something to do with this tripartite meeting. Through labor union channels, Yokomichi was reported to have relayed a message to Murayama and Doi to the effect that "plans to establish a new political force will not succeed unless those sponsors cast away such ideas that its leader should be somebody from the SDPJ line—Murayama, Doi or I (Yokomichi), and courageously uphold Takemura." On the 17th of the same month, Yokomichi met with Tanaka and said, "When a new party is established, it is all right with me to have Takemura as its president."

Another element that hinges a great hope on Yokomichi is the SDPJ's reformist group. But nothing concrete comes out of this group and this is another source of trouble.

"I want to make sure of the timing of establishing a new party of democracy and liberalism. And the SDPJ will dissolve itself to participate in the new party." It was what SDPJ Secretary General Wataru Kubo said at a press conference in Sapporo on 1 October 1994 and it is apparent that nothing has changed since then.

At 12:30 on 24 October, when Yokomichi was being interviewed in Tokyo's Chiyoda Ward, the telephone rang.

Yokomichi excused himself and entered the next room to answer the phone. His subdued voice in the early part of conversation turned heated by and by. The tone of his voice rose and it could be heard behind the wall.

"What? Hum. Hum. I beg you to take action to smooth it over. As you know, we are at present exchanging conversation only through mass media and we have not had direct talks. Time is running out. There is no other way but go on."

On the other end of the line seemed to be a senior member of the SDPJ talking. Yokomichi probably felt irritated over the slow progress of forming a new party, of which reports were daily made by newspapers in the form of somebody's remarks without substance. The tone of voice that could be heard over the wall was so severe reflecting Yokomichi's restlessness.

Afraid of Being Branded as "Traitors"

Why was it that there has been no progress? It was because each one of them was on its own in making moves and because there were no politicians who could display strong leadership.

Especially, a very sensitive problem of how to respond to the Murayama regime when it was a bottleneck. Whenever, Sengoku talked over the phone with Goto, the latter said, "I envy you for not wearing a Diet member's badge." The SDPJ's leading cadres and Diet members of young generation are fully aware of the necessity of a new political power. If they participate in the formation of a new party, however, the political situation goes fluid all of sudden, inevitably forcing the Murayama regime to collapse. They are afraid of being branded as "traitors" that brought about the collapse of the Murayama regime, producing a wholesale state of feeling weak at the knees.

Takano, one of the engineers, seems to be embarrassed at this stalemate situation. He said, "Well, it is not easy to form a new political party. It is something like solving a five-dimensional equation without constants because every number is a variables. It is impossible to get a solution."

What he meant by five-dimensional is one—trends pursued by the elders and the leftist group in the SDPJ, two—indecisiveness on the part of leading cadres and the younger generation in the SDPJ, three—a stalemate in Yokomichi's moves, four—inter-party situation within Sakigake, and five—trends of labor unions.

Properly speaking, however, Yokomichi is the man who must work out the solution to the equation.

For all that, what is the reason behind the curtain not rising for the stage, although five actors are ready? Audience is gradually losing patience and getting sick and tired with it.

North Korea

U.S. Urged To Withdraw, Sign Peace Treaty

SK1811052295 Pyongyang KCNA in English 0443 GMT 18 Nov 95

["New Peace Mechanism Should Be Established" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 18 (KCNA) — The United States must withdraw its troops from South Korea as demanded by the UN resolution and make a bold decision to sign a peace agreement with the DPRK, says NODONG SINMUN in a by-lined article today.

The article continues:

This accords with the interests of the U.S. people and is beneficial to the improvement of the DPRK-U.S. relations.

The DPRK Government proposed to the U.S. side to hold talks to replace the Armistice Agreement with a peace agreement in 1974 and has since opened the door of dialogue for its success with patience. But the United States, instead of responding to the DPRK-U.S. talks, staged Team Spirit joint military exercises against the DPRK for 16 years since 1976 and cancelled even the plan to reduce its troops present in South Korea in July 1979, which it promised the world.

In fact, the Armistice Agreement and ceasefire supervisory machines [as received] have been systemtically destroyed and paralyzed by the U.S. side over the past 40 odd years since the ceasefire in Korea, with the result that the Korean Peninsula is lacking in the institutional machine to keep peace and control security.

In order to prevent such grave developments beforehand, the DPRK Government raised a proposal for establishing a new peace mechanism in April last year and proposed to hold talks with the United States. Ours is an epoch-making proposal to put an end to the relations of war between the DPRK and the U.S., realize a drastic disarmament and guarantee peace and security on the Korean Peninsula.

There is no reason and excuse for the United States not to implement its commitments and the resolution of the UN General Assembly now that the DPRK-U.S. framework agreement has been adopted and is being implemented.

The United States is trying to describe the South Korean puppets who have no real power and operation command and opposed the ceasefire as a party concerned. This is aimed at opposing the peace mechanism.

Daily Views U.S. Senate's 10 Nov Resolution

SK1911072295 Pyongyang KCNA in English
0651 GMT 19 Nov 95

["U.S. Must Not Raise Unjust Precondition" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 19 (KCNA) — The U.S. senate in a "resolution" on November 10 raised "progress of inter-Korean dialogue" as a precondition to the "improvement of U.S.-DPRK relations", slandering the DPRK as if it was to blame for "no progress in inter-Korean relations". Commenting on this, NODONG SINMUN today says:

Dialogue requires circumstances needed for it and a partner. But circumstances of dialogue have not been created in South Korea and there is no partner. The South Korean puppets are slandering and mocking us by fabricating self-made dramas such as "armed spying team cases" one after another and are getting frantic in such reckless war manoeuvres against the North as Foal Eagle 95 joint military exercises. In actuality, the present ruler of South Korea expressed the will of opposing the North-South dialogue, saying "there is no need to hurry up inter-Korean dialogue". Driven into a tight corner with the disclosure of the extra large scandal, the South Korean authorities are running wild to escape denunciation at home and abroad, taking no account of inter-Korean dialogue and the reunification question.

Does the United States not know this? It is an insult to us that the United States puts pressure on us to have dialogue with the enemy of peace, the enemy of reunification and the group of heinous traitors.

The U.S. Senate urged us to have dialogue with the South Korean puppets who are not in position of dialogue but are dead set against the improvement of DPRK-U.S. relations. This, in the long run, tells that the U.S. Senate is joining the South Korean puppets in their ugly tricks.

If the United States is continuously attempting to stifle the DPRK with an unjust precondition to the improvement of the DPRK-U.S. relations, while pursuing its onesided policy toward South Korea, it will bring a grave consequence not only to the improvement of the inter-Korean relations and the DPRK-U.S. relations but the implementation of the DPRK-U.S. framework agreement itself.

Sources: South Military Activity Near DMZ

SK1911073295 Pyongyang KCNA in English
0633 GMT 19 Nov 95

["Acts of Aggravating Situation" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 19 (KCNA) — The South Korean puppets on November 16 introduced ten 155 mm guns and 70 military vehicles loaded with lethal weapons and over 600 puppet army soldiers into the forefront areas in the central and western sectors of the front, military sources said.

On the same day, 20 helicopter gunships of the puppet army launched an aerial strike exercise aiming at targets in the North in the sky above the western sector of the front and hundreds of soldiers of the puppet army frantically fired more than 1,000 bullets with large-calibre machine-guns and automatic rifles in the central and western sectors of the front.

On the 17th, 20 heavy tanks of the puppet army fired more than 120 shells under cover of helicopter gunships in the central sector of the front and 105 mm and 155 mm artillery groups of the puppet army fired as many as 650 shells in the central and western sectors of the front toward areas adjacent to the Demilitarized Zone.

Talk Denounces 'Foal Eagle-95,' Other Exercises

SK1711120995 Pyongyang Korean Central Broadcasting Network in Korean 0853 GMT 15 Nov 95

[Unattributed talk: "Reckless Commotions of Playing With Fire Leading the Situation to the Brink of War"]

[FBIS Translated Text] The adventurous 'Foal Eagle-95' northward aggressive war exercise which the South Korean puppets have been staging recently in collusion with the U.S. imperialists, is at its climax. Timed to coincide with this, they are staging various war exercises simulating northward aggression daily, and are perpetrating military provocations.

On 13 November, the South Korean puppets brought a puppet army unit, and staged a so-called river-crossing equipment mobilization exercise, which simulated a northward invasion, in areas around the upper stream of the Han River.

The South Korean puppets raved that through this exercise, they confirmed the readiness to immediately support the river-crossing operation in an emergency. Concerning this, a South Korean radio reported that the exercise, staged in parallel with battalion tactical training, has been intensively carried out as a three-dimensional exercise simulating a real war by attaching importance to fostering capabilities of immediate support for river-crossing operation and capabilities of conducting a joint operation by various units.

On the other hand, the South Korean puppets are more viciously perpetrating military provocations against us in the DMZ. On 11 November, the puppets brought a 90-mm recoilless gun into DMZ into the central frontline, and installed it undisguisedly before our eyes in broad daylight.

On 13 November, 30 bandits of the puppet army, who hid themselves in the Military Police outposts in the DMZ at the western frontline, suddenly occupied combat positions, and assumed a firing posture for a long time by taking aim at civil police outposts of our side and at the People's Army soldiers, with 90-mm recoilless guns and 12.7-mm large-caliber machine guns which they had brought in and installed earlier.

The repeated reckless military provocations by the South Korean puppets have gravely threatened the safety of our civil policemen who have been carrying out routine guard duty in the DMZ. On 12 and 13 November, several hundreds of the puppet army murderers, who were fully armed with machine guns and automatic rifles, dashed into the DMZ in the central front and in the southern area of the east front, thus, irritating us by frantically running wild around these areas.

Furthermore, on 11 and 13 November, the South Korean puppets brought 20-odd military vehicles, fully loaded with bandits and lethal weapons, into military police outposts in the DMZ south of the central front.

Meanwhile, on 13 November, a group of scores of the puppet army officers, who sneaked into the DMZ south of the western frontline, ran wild with operational conferences and with reconnaissance and surveillance acts against us.

This war exercise racket and military provocations, perpetrated amid various war exercises throughout South Korea as part of provocative Foal Eagle-95 joint military exercise that is aimed at northward aggression, fully expose the true color of the Kim Yong-sam group as a group of warmongers wearing the false mask of civilian politicians.

As is known to all, since 13 October, the Kim Yong-sam group has staged the large-scale 'Foal Eagle-95' joint military exercise in collusion with outside forces.

This war exercise has been staged with the deployment of enormous armed forces, as well as ultramodern equipment, capable of carrying out a complete war, including 30,000 U.S. troops from the U.S. mainland and South Korea; most of the South Korean puppet army, and a nuclear-powered submarine, destroyer and landing ships from the U.S. Seventh Fleet. This war exercise is being carried out with a very dangerous nature at this moment.

On 2 November, U.S. Forces and 3,000 Marine Corps troops of the South Korean puppet army, staged a provocative joint river-crossing training on the sea off Pohang by mobilizing many helicopters and armored cars.

Reports noted that this landing exercise was the largest-scale joint landing exercise since the 'Team Spirit' joint military exercise was temporarily suspended, and was designed to carry out a landing operation deep into the enemy position in an emergency.

On 31 October, the South Korean puppets staged a northward aggressive war exercise by deploying the "Paekma [white horse]" unit, armed helicopters, tanks and guns under supervision by so-called a northward march unit of the puppet army.

The game of playing with fire was staged recklessly from early morning of the day by attaching importance to enhancing combined combat capabilities of infantry, artillery, armored, and engineer units.

Claiming that they intend to establish a joint war posture of civilians, government and military, the South Korean puppets staged a war exercise codenamed "Hwarang," by mobilizing various puppet organizations, puppet army units, reserve forces, and civil defense forces. Besides, they carried out various types of war exercises, including the 95 counter-infiltration joint exercise.

With such war exercise commotions and military provocations by South Korean warmongers, military tension on the Korean peninsula has reached an extreme point.

We are closely watching with heightened vigilance various provocative war exercises and military provocations, which have been repeatedly carried out by the South Korean warmongers, together with the United States, as part of large-scale northward aggressive war exercise, in an attempt to destroy the Armistice Agreement organization and to launch a surprise attack on our Republic.

If the U.S. imperialists and the South Korean puppets dare provoke us, like a puppy that doesn't fear a tiger, they will be made to pay dearly for it.

Radio Reports 14 Nov South Military Exercise

SK1911061895 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 15 Nov 95

[FBIS Translated Text] According to military sources, on 14 November, the South Korean puppets again committed military provocations against us inside the DMZ area of western and central sectors of the front.

Today around 11:05, the puppets deployed before our face Vulcan cannons which were illegally introduced into the DMZ area, which is on the southeast of military marker no. 0050, and ran amok in firing exercises before our eyes.

In addition, around 10:30, more than 50 murderous gangsters of the puppet Army, who were fully armed with machine guns and automatic rifles, kicked up a war hysteric row in the DMZ area, which is on the south of military marker no. 0725.

Meanwhile, the puppets also brought 20-odd military vehicles fully loaded with armed gangsters and combat equipment into the DMZ area, which is on the south of the military marker no. 0589.

These are the Kim Yong-sam puppet clique's deliberate and premeditated provocations to intentionally aggravate the situation inside the DMZ. If the South Korean puppets continue to pursue confrontation and war between the North and South regardless of our repeated warnings, the rascals will never be safe.

Further on 14 Nov 'War Exercise' in Seoul

SK1911062295 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 15 Nov 95

[FBIS Translated Text] According to a Seoul Radio report on 14 November, under the signboard of the provocative 95-combined exercise against infiltration, the South Korean puppets once again committed a criminal war exercise throughout Seoul by dragging in a division of the puppet Army.

While babbling that they are preparing against someone's infiltration in case of an emergency, the puppet clique committed war exercises that remind us of actual warfare by staging an Army- police joint search operation in cooperation with civilian, government, and military units.

The South Korean puppets proclaimed that from 23 October to mid-November, they will hold a war exercise dubbed the 95-combined exercise against infiltration, which will be held with the cooperation of civilian, government, and military units such as each puppet organization, puppet military, the reserve troops, and the Civil Defense Corps, and are successively raising a provocative commotion.

At a time when the people's anti-puppet sentiment is being brought to light with the exposure of traitor No Tae-u's secret fund scandal, it is clear to anyone what the war exercise commotions committed throughout Seoul by the puppet clique are aimed at.

'Foal Eagle' Exercise Seen as Courting War

SK1811044695 Pyongyang KCNA in English 0341 GMT 18 Nov 95

["What Does Foal Eagle 95 Show" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 18 (KCNA) — The Foal Eagle 95 war exercise staged by the U.S. imperialists and the South Korean puppets from October 13 to November 17 was an attack drill and an adventurous war manoeuvre against the North, which replaced the Team Spirit nuclear war exercise, says NODONG SINMUN in a commentary today.

A dangerous situation is prevailing on the Korean Peninsula, in which a war may break any moment owing to the adventurous Foal Eagle 95 to invade the northern half of Korea, the news analyst says, and goes on:

There is no doubt that Foal Eagle 95 would have developed into another war on the Korean Peninsula but for our patient peaceful efforts and attitude. What does the large-scale Foal Eagle 95 joint military exercise staged in South Korea show the Korean nation and the world? This shows who truly wants peace and who seeks war on the Korean Peninsula. And this tells that the criminal wild ambition of the U.S. imperialist warmaniacs and the South Korean puppet clique to invade the North remains unchanged and they are wreckers of peace on the Korean Peninsula, the enemy of reunification and heinous war fanatics.

Due to the Foal Eagle 95, the inter-Korean relations are worsening and the situation on the Korean Peninsula is turning back to so acute a state of confrontation as before the adoption of the DPRK-U.S. framework agreement.

We do not want war but are never afraid of it.

If the U.S. imperialists and the Kim Yong-sam group provoke a war against the North in spite of our repeated warnings, they will get nothing but death.

Radio Reports 16, 17 Nov ROK 'War Exercise'

SK1911123295 Pyongyang Korean Central Broadcasting Network in Korean 1215 GMT 18 Nov 95

[FBIS Translated Text] According to military sources, the South Korean puppets conducted war exercise and gun firing against us after gathering armed forces into the forefront areas on 16 and 17 November.

At around 1350 [0450 GMT] on 16 November, the puppets mobilized 10 155 mm guns from the center and openly deployed them for actual war in broad daylight in front of us, in Aechan-ri, Chorwon County, Kangwon Province, South Korea. At around 1600 [0700 GMT] and 1900 [1000 GMT] that day, they made a noise while dragging 70 military vehicles loaded with murderous equipment and some 600 puppet armed rascals into Yangho-ri of Kanghwa County and Chungse-ri of Chorwon County, Kangwon Province, South Korea.

At around 1240 [0340 GMT] on 17 November, 20 heavy tanks of the puppet army — which had been moved and deployed along the demarcation line in a central area of the front in Hwaji-ri, Chorwon County, Kangwon Province, South Korea — fired more than 120 shells under cover of armed helicopters, heightening the war frenzy for northward invasion.

Prior to this, at around 1200 [0300 GMT] on 16 November 20 armed helicopters of the puppet army, flying at the same time from the center into skies above the front area of Chomwon-ri and Tangmok-ri in Paju County, frenziedly launched an aerial strike exercise aiming at targets in the North while moving toward Yonchon County at an ultra-low altitude.

Meanwhile, from around 1050 [0150 GMT] to around 1200 on 17 November, 105 mm and 155 mm artillery groups of the puppet army occupied fire positions in the western sectors of the front in Chongja-ri of Paju County and Chokko-ri of Yonchon County and fired some 650 shells toward areas adjacent to the DMZ, creating a mood of confrontation.

In addition, on 16 November, hundreds of puppet armed rascals occupied combat positions on nameless uplands and ridgelines in the north of Chungse-ri, Chorwon County, Kangwon Province, and of Chomwon-ri, Paju County, Kyonggi Province, and frantically fired more than 1,000 bullets with large-caliber machine guns and automatic rifles in front of us, showing their war frenzy.

The South Korean puppets should not run wild, being clearly aware that the reckless fire gamble leads to an ultimate ruin.

Daily Denounces 'Foal Eagle 95' Exercise

SK1911100695 Pyongyang Korean Central Broadcasting Network in Korean 1225 GMT 18 Nov 95

[NODONG SINMUN 18 November commentary: "What Does the Foal Eagle War Exercise Show?"]

[FBIS Translated Text] From 13 October to 17 November, the U.S. imperialists and the South Korean puppets committed another large-scale joint military exercise in South Korea under the sighboard of Foal Eagle 95. This war adventure held for over a month was through and through an offensive exercise when one views the military force and equipment mobilized here, and from the content and form of the exercise, and it was an adventurous commotion to invade the North, which revived the Team Spirit nuclear war exercise.

In the Foal Eagle 95 war exercise, large-scale forces including some 30,000 soldiers from the U.S. mainland and U.S. soldiers stationed in South Korea, and most of the South Korean puppet army were mobilized, and many up-to-date war equipment including nuclear powered submarines, Naval destroyers, and landing ships affiliated with the U.S. Army's 7th Fleet, were involved.

The Foal Eagle 95 war adventure, conducted crazily amid the mobilization of an enormous force that is more than enough to wage a complete war, is not an annual defense exercise as the enemies are propagandizing, but was carried out through and through as an act of an adventurous war of offensive weapons to invade our Republic. The joint landing exercise held on 2 November in front of the sea in Pohang, South Korea in which enormous forces such as marine forces of the

U.S. Forces and the puppet army, and war equipment such as helicopters, and armored cars were mobilized, can be cited as an example.

The warmongers babbled that this landing operation exercise in which its basis is to hold offensive exercises aimed at surprise attack, landing, and center attack toward the other side's seashore, is the largest combined landing exercise since the Team Spirit war exercise was suspended.

Not satisfied with this, the Kim Yong-sam bellicose group even carried out fire playing such as the so-called Hwarang and combined exercise in parallel with the Foal Eagle 95 war exercise, and thus, it displayed craziness by mobilizing not only the puppet forces but civilians.

Due to such commotion of provocative war exercise to invade the North carried out by the U.S. imperialists and the South Korean puppets, a dangerous situation was created on the Korean peninsula, in which the hornet's nest of a war may break out at any moment.

If it were not for our patient peace-loving efforts and self- control, the adventurous Foal Eagle 95 would have certainly spread into another war on the Korean peninsula.

The commotion of the large-scale Foal Eagle 95 joint military exercise staged in South Korea — here, what does our nation and the world see? This shows who truly wants peace and who seeks war on the Korean peninsula. Also, this tells that the criminal ambition of the U.S. imperialist war maniacs and the South Korean puppet clique to invade the North remains unchanged, and they are indeed the disturbers of peace on the Korean peninsula, the enemy of reunification, and heinous war fanatics.

Now, our people in the North, the South, and overseas oppose confrontation and war that endanger the nation's destiny and keenly desire peace and peaceful reunification of the country. They are struggling to put an end to the half-a-century history of division and achieve the country's reunification with national reconciliation and unity.

Reflecting the national desire and aspiration, as well as the demand of the times, we have repeatedly put forth the most realistic and reasonable proposal for peace and peaceful reunification of the country and are making every possible effort to realize it. We also presented an epochal proposal to replace the old armistice system with a new peace mechanism for durable peace on the Korean peninsula.

The DPRK and the United States are now holding working-level talks on the implementation of the DPRK-U.S. agreed framework. At this time, the U.S. imperialists and the South Korean puppets are conducting a large-scale fire gamble for a war of northward invasion, mobilizing huge troops and equipment. This is a vicious challenge to our people who desire peace and peaceful reunification of the country, as well as an open provocation against our sincere and peace-loving position and efforts. This is a product of their deliberate maneuver to worsen North-South relations and drive the situation of the Korean peninsula to a dangerous phase of war.

In fact, because of the Foal Eagle 95 fire gamble of war, North- South relations have been worsened and the situation of the Korean peninsula has returned to the same status of acute confrontation as prevailed before the adoption of the DPRK-U.S. agreed framework.

The Foal Eagle 95 fire gamble of war recently conducted in South Korea again clearly showed that the Kim Yong-sam ring's desperate and criminal maneuver to set fire to repeat the tragedy of fratricidal war in cooperation with the aggressors has reached an extreme level.

While being frantically engaged in the new war provocation maneuver with their masters, the Kim Yong-sam ring wandered about overseas to drum up the establishment of a so-called cooperation system all in bid to harm their fellow countrymen. In the so-called military committee as well as an annual security consultative meeting between South Korea and the United States, the Kim Yong-sam ring begged their masters to eternalize the aggression forces' occupation of South Korea, to increase arms, and to continuously provide South Korea with the U.S. nuclear umbrella. The two sides also deliberated on a dangerous military conspiracy to conduct annual U.S.-South Korea joint military exercise, separately from the Team Spirit war exercise. This proves that the Kim Yong-sam ring is desperately trying to light the fuse of war against our Republic in collusion with their masters.

We do not want war, but we are not afraid of it either. If the U.S. imperialists and the Kim Yong-sam ring finally provoke a war of northward invasion despite of our repeated warnings, they will only encounter corpses and death.

Daily Rejects 'Foal Eagle 95' Military Exercise

*SK1911073595 Pyongyang KCNA in English
0646 GMT 19 Nov 95*

["War Manoeuvres Aggravate Situation" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 19 (KCNA) — The United States staged the Foal Eagle 95 war exercise against the Democratic People's Republic of Korea for one month or more together with the South Korean puppets, which is aimed at chilling the implementation of the DPRK-U.S. framework agreement and realizing their goal of aggression with military pressure on the DPRK, says MINJU CHOSON in a commentary today.

The news analyst goes on:

Foal Eagle 95, a replica of Team Spirit joint military exercise with the main stress on offensive operations, was an all-out war manoeuvre against the North. It was an undisguised challenge to the implementation of the DPRK-U.S. framework agreement and an unpardonable treachery to the entire fellow countrymen and the peaceloving people of the world aspiring after independent and peaceful reunification of the country.

It also proved that their clamours for "inter-Korean dialogue" and "improvement of inter-Korean relations" are a deception and lie and they are seeking only a war against the North, not peace on the Korean peninsula and its peaceful reunification.

We will never remain an onlooker to the reckless moves of the U.S. imperialists and the South Korean puppets.

Kim Yong-sam-William Perry Meeting Deplored

*SK1811051595 Pyongyang KCNA in English
0355 GMT 18 Nov 95*

["Reckless Provocation of Warmaniacs" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 18 (KCNA) — The traitor Kim Yong-sam in a meeting with U.S. Defense Secretary Perry November 2 mentioned the security conditions on the Korean Peninsula. He argued that South Korea and the United States should be fully prepared for case of emergency on the basis of a solid alliance system.

At the "graduation ceremony of the security course of the defence postgraduate school" on November 6, the puppet Defence Minister, Yi Yang-ho, incited confrontation, charging the North with "arms buildup" and "ambition to communise South Korea by force of arms." In a "parliament interpellation" on November 16, he said that "it is necessary to build up perfect war deterrent forces to cope with threat from the North."

The bellicose remarks of the traitor Kim Yong-sam and the puppet military chief against the North are a premeditated and deliberate provocation against the North and an unpardonable crime to aggravate the North-South relations and drive the situation on the Korean Peninsula to a dangerous phase.

Facts show the Kim Yong-sam group do not want peace and peaceful reunification of the country but dream of "unification by prevailing over communism" through war.

If the South Korean puppets unleash an adventurous war despite our repeated warning, they will get nothing but death.

'Heightening North-South Confrontation' Denounced

*SK1811144795 Pyongyang Korean Central Broadcasting Network in Korean
0605 GMT 18 Nov 95*

[FBIS Translated Text] The South Korean authorities have recently made a series of warlike outbursts, heightening North-South confrontation and driving the situation to an extremely dangerous one.

On 2 November, traitor Kim Yong-sam met with U.S. Secretary of Defense William Perry and, while mentioning the status of security on the Korean peninsula, he emphasized that the ROK and the United States should prepare thorough-out measures in case of an emergency based on the firm allied system between the two countries.

At the so-called commencement ceremony of a security course of the National Defense College held on 6 November, puppet defense minister Yi Yang-ho spurred up South-North confrontation by mentioning North Korea is engaged in arms buildup and has a wild ambition to communize South Korea. In addition, during an interpellation meeting at the National Assembly on 16 November, he again made the belligerent remarks that it is very urgent to be equipped with complete war-control ability to cope with North Korea's threats.

Traitor Kim Yong-sam and the puppet military leader took the initiative in egging on the war frenzy by raising an unjustifiable outcry over us. This is a designed and deliberate challenge to us and an intolerable criminal act that aggravates North-South relations and makes the situation of the Korean peninsula run to a dangerous phase.

If the South Korean puppets continue to pursue war adventure despite our repeated warnings, they will only encounter corpses and deaths.

Radio Denounces South 'Conspiracy' of Council

SK1811100195 Pyongyang Korean Central Broadcasting Network in Korean 0607 GMT 18 Nov 95

[FBIS Translated Text] According to reports, Kong No-myong, puppet foreign minister of South Korea, who is visiting Japan, held so-called talks with Japanese Foreign Minister Yohei Kono on 15 November, and they agreed to regularly hold South Korea-Japan-U.S. foreign ministerial council meetings to discuss so-called issues surrounding us.

What matters is why the South Korean puppets are making noise by proposing the creation of an ROK-U.S.-Japan foreign ministerial council at a time when the adopted DPRK-U.S. agreed framework is about to be implemented and when the issue concerning the normalization of DPRK-Japan diplomatic ties has been placed on the agenda. This is because the South Korean puppets have the shabby hidden purpose to put the brakes on the improvement of DPRK-U.S. and DPRK-Japan relations as they are extremely worried and nervous about the possibility that improvements in relations between the DPRK and Japan, as well as between the DPRK and the United States, would cut off their ties with Japan and the United States, their lifeline.

In telephone conversation with Clinton held on 16 November, Kim Yong-sam blared that it is important for the ROK and the United States, as allies, to send a strong message to North Korea. In addition, Kong No-myong said it is very important to hold tripartite ministerial talks to prevent North Korea from using the Japan and U.S. cards. All this plainly shows the puppets' hidden purpose.

The Kim Yong-sam ring's utterance about sending a strong 'message to North Korea, which followed the promotion of an ROK-U.S.-Japan foreign ministerial council, only shows the pitiful position of the colonial puppets who are unable to prolong their lives even for a moment without outside forces.

Kono's remarks run counter to the spirit of the agreement on resuming DPRK-Japan talks, which supports the independent solution to DPRK-Japan issues by the two countries in accordance with the interests of the DPRK and Japanese peoples. Japan should not dance to the dirty conspiracy plotted by the Kim Yong-sam ring that is merely a group of colonial puppets.

The Kim Yong-sam ring should not recklessly run wild, being clearly aware that, if it attempts to impertinently interfere in the issue regarding the improvement of DPRK-U.S. and DPRK-Japan relations, it will not avoid its own shameful ruin.

Daily Denounces Kim Yong-sam for Seeking System

SK1811090095 Pyongyang Korean Central Broadcasting Network in Korean 1222 GMT 17 Nov 95

[NODONG SINMUN 17 November commentary: "Puppets' Unchanged National Confrontation Maneuver"]

[FBIS Translated Text] South Korea's traitor Kim Yong-sam must have a thinking disorder due to an abnormality in his cerebral cortex, prompting yhim to talk about the North's so-called nuclear issue regardless of the time and place.

According to broadcasting reports from Seoul, traitor Kim Yong-sam will take the opportunity while participating in the APEC [Asia- Pacific Economic Cooperation] meeting to be held in Japan to ask the heads of state of the United States and Japan for a cooperative system over the nuclear issue of the North. In addition, he will reportedly use the DPRK-U.S. relations as a lever to resume inter-Korean dialogue with the help of the United States and Japan.

He is going to beg for an international cooperative system over the so-called nuclear issue of the North, which has nothing to do with an economic issue, at a meeting which will discuss the issues concerning economic cooperation in the Asia-Pacific region. How can he act in such a disgraceful way unless his thinking capability has been paralyzed or he is a traitor who is hell bent on perpetuating national confrontation?

As the saying goes: Old habits die hard and this shows that the South Korean puppets have not yet renounced to their bad habit of running amok to vilify and suppress their fellow countrymen with the nuclear issue of ours which does not even exist.

The so-called nuclear issue of the North is a byproduct of the hostile policy against our Republic as well as a total fabrication devised by the imperialists and reactionaries with an aim to suppress our socialism and to disarm us militarily. The whole world knows that such a fabrication has disappeared under the conditions in which the DPRK-U.S. talks were held to fundamentally solve the nuclear issue on the Korean peninsula; the DPRK-U.S. agreed framework has been adopted; and the project to implement the agreement is being carried out.

Traitor Kim Yong-sam was put to shame of being humiliated by the whole world after having persistently engaged in interference maneuvers of begging for sanctions and a cooperative system to delay and suspend the DPRK-U.S. talks over the nonexistent nuclear issue like a dog that is futilely chasing after a chicken on a roof. However, after all the humiliation he suffered in the past, he is again trying to seek an international cooperative system over the nuclear issue. It is truly an imprudent act of a person without a liver who lacks the sense of the times. Is it not?

Speaking of the nuclear issue on the Korean peninsula, it has been produced not by the North but because the United States has deployed more than 1,000 pieces of nuclear weapons in South Korea to threaten us and because the South Korean puppets are begging for U.S. protection of a nuclear umbrella and cultivating their own nuclear mushroom in its shade.

If the Kim Yong-sam ring had the slightest degree of interest in the destiny of the fellow countrymen and truly wants the denuclearization on the Korean peninsula, it should have not brought forward the fictitious nuclear issue of the North but should have raised the withdrawal and dismantlement of the U.S. nuclear weapons and nuclear bases from South Korea. In addition, they should have closed the graphite-moderated reactor in Wolsong and the multi- purpose experimental reactor in Taedok, which produce a large amount of plutonium, and should have renounced to their development of a fast breeder reactor to massively breed plutonium for the manufacturing of nuclear bombs.

However, instead, they are ceaselessly making an issue of the nuclear matter and call for joint action. This can only be seen as a brazen and ridiculous move to hide and rationalize their maneuvers to develop nuclear weapons by themselves and to hide their nuclear issue.

Kim Yong-sam is foolishly attempting to use relations between the DPRK and Japan and between the DPRK and the United States as a lever to resume inter-Korean dialogue. This is nothing but a black intention to hamper the solution of the nuclear issue on the Korean peninsula and put a spoke in the wheel of progress of relations between the DPRK and the United States and between the DPRK and Japan.

These facts clearly show that the planned junket of traitor Kim Yong-sam is nothing but a junket of national treachery to do harm to fellow countrymen with the help of outside forces and a begging junket aimed at remaining in power under the patronage of outside forces.

History shows that those treacherous flunkeyists who betrayed their nation and clung to outside forces were not safe. Traitor Kim Yong-sam should be clearly remindful of the fact that the acts of hampering the progress of DPRK-U.S. relations and DPRK-Japan relations and vilifying his fellow countrymen will only hasten self-destruction and he should not act recklessly.

No's Detention Linked to Election Fund Scandal

SK1711150295 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 17 Nov 95

[FBIS Translated Text] According to broadcast reports in Seoul, traitor No Tae-u, the culprit of the secret funds scandal that is stirring the entire South Korea, was detained at the Seoul Detention Center last evening. This leaves a shameful record of imprisoning a former president on charges of large-scale irregularities and fraudulence for the first time in the history of South Korea, arousing the disdain and denunciation of the world.

Prior to being taken to prison yesterday, traitor No Tae-u said something ambiguous. He said that he will assume all responsibility by himself, carrying with him all the friction and distrust in the politicians' hearts. What he said is, in other words, that he is not the only main thief involved in irregularities and fraudulence, and that once he opens his mouth, the incumbent ruler, as well as numerous rascals, will be caught in the net. His trick is to convey the message that he is bearing everything for the time being, thus, being aware of this, others should take care of the rest for him.

Traitor No Tae-u's imprisonment is a hasty and reluctant decision of the Kim Yong-sam ring to appease the growing rage and protest of various circles in South Korea, and to prevent further expansion of the secret fund scandal. This is also a preventive measure fearing that more digging into the secret funds scandal would involve them.

It is not accidental that the South Korean media and opposition parties suspect that the No Tae-u's arrest is a measure to block the disclosure of presidential election funds. The Kim Yong-sam ring, which reluctantly imprisoned traitor No Tae-u, is giving him special treatment in prison. According to broadcast reports in South Korea, the puppet clique modified a large cell into a solitary cell in the detention center for traitor No Tae-u, and even prepared a flush toilet, a washbasin, and heating system. Unlike ordinary prisoners, he has a separate shower room and six prison officers for his personal security.

In addition, unlike ordinary prisoners, he will meet his family in a special room, and be excluded from most of the daily activities in the detention center, living freely.

Meanwhile, traitor Kim Yong-sam has worked out a plot to release traitor No Tae-u from prison at any time he seizes an opportunity. In this connection, the South Korean broadcasts note that although No Tae-u has been arrested for the time being, the prosecution may withdraw a public action before the trial is over by canceling his arrest or suspending the execution of the arrest by reason of illness or the government's special pardon, adding that No Tae-u's arrest could be a temporary measure for the suspension of the execution of arrest or for bailment.

That traitor No Tae-u made an overbearing comment before going to prison that he alone will take all the responsibility results from his awareness of the support for him from the Kim Yong-sam ring, the conspirator.

The arrest of traitor No Tae-u was a mere clumsy drama which the true culprit of the corruption and embezzlement and the conspirator staged in an attempt to escape their hard-pressed situation for the time being.

Article on No Tae-u's Slush Fund Cited

SK1811102195 Pyongyang KCNA in English
0933 GMT 18 Nov 95

[FBIS Transcribed Text] Pyongyang, November 18 (KCNA) — The U.S. newspaper THE NEW YORK TIMES November 12 carried an article headlined "Inborn Irregularities of South Korean Politics".

The irregularities concerning No Tae-u's slush fund worth 654 million dollars are stirring all the political and business circles of South Korea, the paper noted.

It said that No Tae-u has been suspected of having a secret account in a bank of Switzerland. It is told that No's daughter paid a private visit to Switzerland in 1989 when her father took office as "president" and opened a private bank account, it stated, adding:

A few days later, a right-hand man of No flew to the United States and delivered 200,000 dollars to No's daughter, and she and her husband were caught while trying to deposit this money in a bank in California and were tried at a U.S. court on the charge of cash smuggling in violation of the U.S. law. Then, the sentence on them was suspended.

Many South Korean people demand he be punished by law for commanding the military operation in which a large number of people were murdered in Kwangju in 1980.

ROK Opposition Urges President To Reveal Fund

SK1911082095 Pyongyang KCNA in English
0625 GMT 19 Nov 95

[FBIS Transcribed Text] Pyongyang, November 19 (KCNA) — South Korean opposition parties and religious organisations on November 16 urged Kim Yong-sam to make public the "presidential election" fund at once, according to radio reports from Seoul.

A spokesman for the National Congress for New Politics said that what is the most urgent under the present political situation is for Kim Yong-sam to make public the "presidential election" fund. To this end, we cannot but take into consideration a movement for resignation of Kim Yong-sam, he added.

A spokesman for the Democratic Party in a commentary stressed that it is imperative to make clear how the traitor No Tae-u amassed the secret fund and used it, especially, the total amount of the "presidential election" support fund in 1992.

On the same day, the party held a "meeting of its National Assemblymen" and adopted a resolution urging overall investigation into those involved in the "Fifth and Sixth Republics" so as to make a thorough probe into the scandal of No Tae-u.

In the meantime, the national Roman Catholic priests' group for the realisation of justice and the committee of Seoul archdiocese for justice and peace held a mass on the situation at the Myongdong Cathedral and urged the puppet government to make thorough investigation into the power-backed scandals of the "Fifth and Sixth Republics" and probe the truth behind the May 18 Kwangju incident.

Koreans in Japan Urge 'Slush Fund' Probe

SK1911082795 Pyongyang KCNA in English
0630 GMT 19 Nov 95

[FBIS Transcribed Text] Pyongyang, November 19 (KCNA) — The Federation of South Koreans in Japan for Democracy and Unification in a statement on November 16 said that through the arrest and investigation of No Tae-u, all the power-backed illegal fortunes must be made clear without leaving any doubt.

It said that the prosecution must fully investigate the scandals of the "Fifth Republic" because the scandals of the "Sixth Republic" are closely linked with those of the "Fifth Republic".

It demanded that the truth behind the Kwangju massacre be probed and those responsible for it punished through the enactment of a special law on the May 18 incident and the introduction of a special prosecution system.

It declared that the federation would fight hand in hand with the South Korean people until the truth behind the power-backed illegal scandals and the May 18 Kwangju massacre is brought to light and the principal culprits are punished.

Kim Tae-chung Cited on Kim Yong-sam's Fund

SK2011095895 Pyongyang KCNA in English 0848 GMT 20 Nov 95

[FBIS Transcribed Text] Pyongyang, November 20 (KCNA) — The president of the opposition National Congress for New Politics, Kim Tae-chung, on November 18 charged that "Kim Yong-sam is a specimen of old-time politicians, who should be liquidated," a Seoul-based radio said.

He said this at an inaugural meeting of the Yongdungpo District Party Branch No. 2 in Seoul.

"Political misgivings have been created because Kim Yong-sam is denying the fact that he had received 'presidential election' fund amounting to 200-300 billion won," he said.

"A solution to the 'slush fund scandal' is for Kim Yong-sam to make public the 'presidential election' fund he received from No Tae-u and make an apology to the people," he said, adding that "the political situation will be normalized when Kim Yong-sam makes a clean breast."

Kim Chong-il Poses With News Broadcasters

SK1911074595 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 18 Nov 95

[FBIS Translated Text] The great leader [yongdoja] Comrade Kim Chong-il congratulated and had a commemorative picture taken with the functionaries, announcers, reporters, and editors of the DPRK Radio and Television Broadcasting Committee on the 50th anniversary of the founding of the Korean Central Broadcasting Network [KCBN].

On 18 November, Comrade Kim Chong-il, the great leader [yongdoja] of our party and people, congratulated and had a commemorative picture taken with the functionaries, announcers, reporters, and editors of the DPRK Radio and Television Broadcasting Committee on the 50th anniversary of the founding of the KCBN.

When the great leader [yongdoja] Comrade Kim Chong-il showed up at the studio, the functionaries, announcers, reporters, and editors of the DPRK Radio and Television Broadcasting Committee warmly welcomed him with a storm of cheers, shouting "hurrah." Comrade Kim Chong-il responded to their cheers by waving his hand and had a commemorative picture taken with them.

Comrade Kim Ki-nam, secretary of the Central Committee of the Workers Party of Korea, was present on the occasion.

Comrade Kim Chong-il congratulated the functionaries, announcers, reporters, and editors of the DPRK Radio and Television Broadcasting Committee on their active contributions to resolutely defending and safeguarding the party and the leader [suryong] politically and ideologically at the outposts of our party's ideological fronts and to glorifying the socialism of our own style and advancing the revolution and construction by arming the party members and working people with the chuche idea and vigorously arousing them to implementation of the party's lines and policies.

All the participants were filled with a burning resolve to proudly, honorably, and firmly demonstrate the spirit of socialist Korea to the whole universe by further strengthening the broadcasting propaganda work in conformity with the new requirements of our revolution, upholding the party's leadership.

Kim Chong-il Poses With Newspaper Employees

SK1811231595 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 18 Nov 95

[FBIS Translated Text] The great leader [yongdoja] Comrade Kim Chong-il congratulated and had a commemorative picture taken with the functionaries, reporters, and editors of NODONG SINMUN on the 50th anniversary of the founding of NODONG SINMUN.

On 18 November, Comrade Kim Chong-il, the great leader [yongdoja] of our party and people, congratulated and had a commemorative picture taken with the functionaries, reporters, and editors of NODONG SINMUN on the 50th anniversary of the founding of NODONG SINMUN, a media organ of the Central Committee of the Workers Party of Korea [WPK].

When the great leader Comrade Kim Chong-il showed up at the studio, the functionaries, reporters, and editors of NODONG SINMUN warmly welcomed him with thunderous cheers of "hurrah." Comrade Kim Chong-il responded to their cheers by waving his hand and had a commemorative picture taken with them.

Comrade Kim Ki-nam, secretary of the WPK Central Committee, was present on the occasion.

Comrade Kim Chong-il congratulated the functionaries, reporters, and editors of NODONG SINMUN who, with boundless loyalty for the party and the leader [suryong], have made a great contribution to strengthening the main force of the revolution in the outposts of our party's ideological fronts as examples of the revolution and have made a great contribution to realizing the party's cause, the socialist cause, for the past 50 years. He also expressed a confidence that they will brilliantly carry out their honorable mission as the ideological banner of the WPK.

All the participants were filled with a burning resolve to live up to the party's great confidence and expectations with their active contribution to the consolidation and development of our party and the prosperity and enrichment of the socialist fatherland by turning the paper into a revolutionary and militant paper which is a powerful weapon of the ideological fronts of socialism and by continuously feeding the flame of the revolution in the paper and editorials through reporting activities.

Red Cross Worker Says Flooded Areas Now Desert

*OW1811101595 Tokyo KYODO in English
0952 GMT 18 Nov 95*

[FBIS Transcribed Text] Geneva, Nov. 18 KYODO — From farmland to desert in North Korea — this is just one of the observations made by a Japanese Red Cross Society employee who made a rare tour of the nation's regions hit by disastrous floods last summer.

"Some wide areas have become buried by dirt and sand, and look like deserts in (northern) Africa," said Naomichi Shirata, here to report to the international Federation of Red Cross Societies on the status of relief operations in North Korea.

A fact-finding mission of the United Nations reported in September that the floods, the country's worst in 100 years, rendered some 500,000 North Koreans homeless and destroyed nearly half of the country's farmland, or 1.2 million hectares.

Shirata, 42, one of two Red Cross employees who traveled through the northern peninsula for approximately a month from Oct. 17, said that what he saw adequately confirmed reports of a major natural disaster striking the nation.

According to Shirata, one of the worst areas was the northwest city of Sinuiju, near the Chinese border, which was turned into a vast desert. The neighboring Yalu River had burst its bounds, causing havoc in the surrounding areas.

The gorges of mountainous Huichon, east of Sinuiju, were literally filled up by dirt moved by floodwaters, destroying all houses and buildings located there, Shirata said.

"The scale of damage was incredible," said Shirata, the first Japanese Red Cross official sent to North Korea since the end of World War II, in an interview with KYODO NEWS SERVICE.

The floods, caused by rains which peaked at 728 millimeters a day in some areas, were also felt as far south as Ichon, a town southeast of the North Korean capital of Pyongyang.

North Korea has asked the UN for nearly 500 million dollars in aid for the victims. The UN responded by asking the world community for 15.7 million dollars in aid.

Prosecutor General Yi Yong-sop Dies 18 Nov

*SK1911075795 Pyongyang KCNA in English
0643 GMT 19 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 19 (KCNA) — Yi Yong-sop, alternate member of the Central Committee of the Workers' Party of Korea [WPK], deputy to the Supreme People's Assembly of the Democratic People's Republic of Korea and prosecutor-general of the Central Public Prosecutor's Office, died of a sudden illness on November 18, 1995 at the age of 70.

An obituary of the WPK Central Committee and the DPRK Central People's Committee was published on November 18.

According to it, Yi Yong-sop made active contributions to firmly safeguarding the party and the leader, defending the gains of revolution from the encroachment of the enemy at home and abroad and consolidating the law and order of the country, while working in responsible position of organs of public security, Armed Forces and judicature and prosecution for years.

He remained unfailingly loyal to the party and the leader, firmly establishing the party's monolithic ideological system to the last moment of his life.

- Kim Chong-il Sends Wreath

*SK1911080495 Pyongyang KCNA in English
0652 GMT 19 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 19 (KCNA) — The great leader Comrade Kim Chong-il sent a wreath on November 19 to the bier of the late Yi Yong-sop, alternate member of the Central Committee of the Workers' Party of Korea, deputy to the Supreme People's Assembly of the Democratic People's Republic of Korea and prosecutor-general of the Central Public Prosecutor's Office, in deep mourning for his death.

Kim Chong-il Thanks Working People

SK2011041895 Pyongyang KCNA in English
0220 GMT 20 Nov 95

[FBIS Transcribed Text] Pyongyang, November 20 (KCNA) — The great leader Comrade Kim Chong-il sent thanks to employees of the Myohyangsan History Museum, officials of the Hyangsan County Party Committee and the Hyangsan County Administrative and Economic Committee and soldiers of Kang Pyong-uk Unit of the Korean People's Security Forces for their contribution to restoring to the status quo the Tangun Temple on Mt. Myohyang, a famous mountain of Korea.

Comrade Kim Chong-il saw to it that the village of the 11th workteam of the Yangdam co-op farm in Unchon County, South Hwanghae Province, is called "Manpung Village," the village of the 6th workteam of the Paeku co-op farm in Sinwon County "Unjong Village" and the village of the 9th workteam of the Kwanhae co-op farm in Ullyul County "Undok Village," where new dwelling houses have been built, and sent thanks to officials and builders who participated in the construction of the dwelling houses.

Each dwelling house has three living rooms, a cattle shed and a storehouse and cooking is done by marsh gas.

South Koreans Said 'Revering' Kim Chong-il

SK2011101595 Pyongyang KCNA in English
0841 GMT 20 Nov 95

["Leader Kim Chong-il Is Veteran of Benevolent Politics" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 20 (KCNA) — South Korean people are revering the great leader Comrade Kim Chong-il, longing for the northern half of Korea in which beautiful human virtues have been brought into play.

Kim Chin-su, a professor of ethics in South Korea, in an article titled "Human Odour, Its Present Address Is Found" [title as received] wrote:

People of the North find their pride and happiness of life in devoting and leaving behind something for others, the society and the collective.

Those who risk their lives to save the life of colleagues at the most critical moment, those who dedicate their flesh, bones and blood to rescue others, the doctors who cut off corneas from their wives and daughters to cure patients' eyes, the girls who volunteer to be wives of disabled soldiers who served the army for the fatherland and become their eyes, arms and legs, indeed, people of beautiful virtues, who devote themselves to others, are countless in the North.

"What is the secret of it? It is because there is the leader Kim Chong-il, the incarnation of human love. Intense human love and benevolence are his noble gifted virtue," he wrote.

Choe Sang-chin, a professor residing in Mapo District, Seoul, in a talk with members of the Society for Loving My Nation in May last, said the society of the South is the dead ground of ethic morality.

He said:

The leader Kim Chong-il, who values virtues most, has turned the society of the North into a harmonious big family united in ideology and will, morality and obligation, by enforcing benevolent politics of love and trust.

The leader Kim Chong-il is, indeed, the veteran of benevolent politics, who has kept the flower garden of beautiful virtues in full bloom in the North.

O Kyong-hun, an afflicted man in Paju County, Kyonggi Province, said:

There was a heavy rain in the North and the South at the same time, but the South and the North are too different. An integral whole in which Army and people move as one on the order of the great leader, the people who give disinterested and unsparing assistance, regarding disasters of others as their own—all these are possible only because the politics of the leader Kim Chong-il is so great and wise and it is genuine benevolent politics for the people [sentence as received].

Choe Kwang, Others at Institute's Anniversary

SK1811132195 Pyongyang Korean Central Broadcasting Network in Korean
0600 GMT 17 Nov 95

[FBIS Translated Excerpt] A report meeting of the Ministry of the People's Armed Forces was held at the 25 April Hall of Culture on the afternoon of 16 November to mark the 50th anniversary of the founding of the Pyongyang Institute by the great leader [widaehan suryong] Comrade Kim Il-song. [passage omitted]

Present at the meeting were Comrade Choe Kwang, member of the Political Bureau of the Workers Party of Korea [WPK] Central Committee, minister of the People's Armed Forces, and marshal of the Korean People's Army [KPA]; Comrade Cho Myong-nok, director of the KPA General Political Bureau and vice marshal of the KPA; Comrade Kim Yong-chun, chief of the General Staff of the KPA and vice marshal of the KPA; Comrade Kim Kwang-chin, first vice minister of the People's

Armed Forces and vice marshal of the KPA; responsible functionaries from the Ministry of the People's Armed Forces; generals and military officers; and teaching staff and students from various military schools of the KPA. [passage omitted]

Military Delegation Leaves for Pakistan

SK1911140095 Pyongyang Korean Central Television Network in Korean 1124 GMT 19 Nov 95

[FBIS Translated Text] A DPRK military delegation led by Comrade Choe Kwang, member of the Political Bureau of the Workers Party of Korea [WPK] Central Committee, vice chairman of the DPRK National Defense Commission, minister of the People's Armed Forces, and marshal the Korean People's Army [KPA], left Pyongyang for Pakistan by plane today.

Cho Myong-nok, director of the KPA General Political Bureau and vice marshal of the KPA; Kim Yong-chun, chief of General Staff and vice marshal of the KPA; Kim Kwang-chin, first vice minister of the People's Armed Forces and vice marshal of the KPA; and generals and officers of the KPA saw off the delegation at the airport.

(Rehmdil Bhatti), ambassador of the Islamic Republic of Pakistan to our country, also saw off the delegation.

Meeting Marks Public Security Organ Founding

*SK1911083995 Pyongyang KCNA in English
0641 GMT 19 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 19 (KCNA) — A meeting was held Saturday in Pyongyang to mark the 50th anniversary of the foundation of public security organ.

Present there were Paek Hak-nim, minister of public security, leading officials of the central and local public security organs and public security officers.

Chae Mun-tok, director of the political department of the Ministry of Public Security, said in his report that the great leader Generalissimo Kim Il-song founded the public security organ on November 19, 1945 after liberation on the basis of the deep and unshakable root of the revolutionary dictatorship organ building which he established in the flames of the anti-Japanese war.

The foundation of the public security organ was a significant event that declared to the world the birth of the chuche-type revolutionary dictatorship organ with the immortal chuche idea as its basic mission, the reporter stressed, and went on:

The great leader wisely led the public security organ to carry through the class line and the mass line of the party by properly combining dictatorship with democracy at every period and stage of developing revolution and fully discharge its glorious mission and duty to defend the party and the leader.

The glorious struggle of the public security organ is more brightly shining with the immortal history of the leadership of the respected Supreme Commander Comrade Kim Chong-il, who is carrying forward the great leader Comrade Kim Il-song's cause of chuche-based dictatorship organ building.

Comrade Kim Chong-il perfectly clarified the unique idea, theory and method on the public security of the present time to meet the requirement of the developing revolution for modelling the whole society on the chuche idea, and wisely led the struggle for its realisation.

Thanks to the great leadership and benevolent love of the respected General Kim Chong-il, the public security organ has been strengthened and developed into loyal ranks, which absolutely believe and follow and defend only the party and the leader, into rock-firm ranks, a political guard unit of the party, which share life and death with the party forever and move as one under the monolithic leadership of the party.

The public security organ is faced with important tasks to smash all the anti-socialist and anti-DPRK moves of the imperialists and reactionaries, resolutely defend Korean-style socialism centred on the popular masses and accomplish the historic cause of national reunification, rallied in one mind around respected supreme Commander Comrade Kim Chong-il true to the behests of the fatherly leader Comrade Kim Il-song.

Kye Ung-tae Reads Message to Judicial Staff

*SK2011043295 Pyongyang KCNA in English
0233 GMT 20 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 20 (KCNA) — A congratulatory message of the Central Committee of the Workers' Party of Korea [WPK] was conveyed to judicial and procuratorial officials on the occasion of the 50th anniversary of the judicial and procuratorial organs.

It was conveyed with due ceremony on November 19.

At the ceremony Kye Ung-tae, Politburo member and secretary of the WPK Central Committee, read out the message.

In the message the WPK Central Committee congratulated all the judicial and procuratorial officials upon their successful fulfillment of the honorable mission and duty to defend the party and revolution as well as the happy life of the people by law on the forefront of the class struggle.

The message said that the foundation of the judicial and procuratorial organs by the great leader Comrade Kim Il-song on November 19, 1945, was an important event of great significance in the building of a new country and the accomplishment of the revolutionary cause of the Korean people. With the foundation of the judicial and procuratorial organs, it noted, the Korean people have had a powerful weapon with which to put down the resistance of the hostile forces, prevent the spread of outdated idea and reliably defend our party and the revolutionary cause of chuche by law.

Judicial and procuratorial officials under the wise guidance of the party and the leader have performed great exploits for the party and revolution, the country and the people in the 50 year long history of glorious struggle, the message said.

In the message the WPK Central Committee highly praised the judicial and procuratorial officials for the great achievements they gained in the struggle for the victory in the revolutionary cause of chuche by thoroughly implementing the judicial policy of our party, upholding the guidance of the party and the leader.

The message expressed the belief that the judicial and procuratorial officials would remain loyal to the great leader Comrade Kim Chong-il, carry out their revolutionary tasks in a responsible manner, singleheartedly united around the party and live up to the party's trust and expectation with credit.

At the meeting the speakers said that the judicial and procuratorial organs have traversed the road of victory and glory over the past 50 years after their foundation and that all the achievements are entirely attributable to the wise guidance of Comrade Kim Il-song and Comrade Kim Chong-il.

They called upon all the judicial and procuratorial officials to uphold the judicial policy of the party and further strengthen the function of the people's democratic dictatorship as demanded by the developing revolution and actively contribute to defending and glorifying the anthropocentric socialism of Korean style and the revolutionary cause of chuche.

A letter of pledge to Comrade Kim Chong-il was adopted at the meeting.

Pak Song-chol at Women's Union Meeting

SK1811053895 Pyongyang KCNA in English 0346 GMT 18 Nov 95

[FBIS Transcribed Text] Pyongyang, November 18 (KCNA) — A national meeting was held here on Friday to commemorate the 50th anniversary of the foundation of the Korean Democratic Women's Union (KDWU).

Present there were Pak Song-chol, Politburo member of the Central Committee of the Workers' Party of Korea and vice-president of the DPRK, Kim Song-ae, chairperson of the KDWU Central Committee, anti-Japanese revolutionary women fighters and KDWU officials and members.

A congratulatory message sent by the WPK Central Committee to the KDWU on its 50th birthday was read out at the meeting.

The message said that over the past 50 years the KDWU has strengthened and developed into a revolutionary women's organization which is true to the road of the revolution guided by the party and the leader, and militant ranks of women who struggle for the final victory of the socialist cause of chuche.

The WPK Central Committee highly appreciates the great achievements made by the KDWU in the efforts to strengthen the forces of our revolution and accomplish the revolutionary cause of chuche by uniting women around the party with intense loyalty to the party and the leader, it said.

Kang Kwan-son, secretary general of the KDWU Central Committee, made a report at the meeting.

The reporter said:

"The Korean Democratic Women's Union involving broad segments of women with women revolutionary fighters and working women as its hardcore members was founded on November 18, 1945 under the wise leadership and care of the great leader Comrade Kim Il-song. This was a brilliant fruition of his unique idea on the building of women's union and a historical event of weighty significance in shaping the destiny of the Korean women and their political life."

"The KDWU has greeted a new era of its development under the wise guidance of respected General Kim Chong-il," she stressed. "He solved the theoretical and practical problems arising in the KDWU building and activities to meet the new requirement of the development of the Korean revolution and has wisely led the struggle for their materialization."

Referring to the tasks facing the KDWU organizations and members at present, the reporter said, "As long as the great leader Comrade Kim Chong-il stands in the van of the Korean revolution only victory and glory will be in store for us."

Article Urges Greater Party Activism

952C0171A Pyongyang NODONG SINMUN in Korean 13 Jun 95 p 3

[Article by Sin Ung-chol: "A Programmatic Guiding Principle to Be Adhered to Firmly in Party Work"]

[FBIS Translated Text] Leading the revolution and construction, the great leader [yongdoja] Comrade Kim Chong-il has always stressed as a priority the strengthening of party work and has sagaciously led the way to that end.

His classic work "On Several Questions Dealing with Party Work in the Present Period," published today 20 years ago on 13 June 1975, is a programmatic document that marked a new turnaround in the improvement and strengthening of party work consistent with demands of the developing revolutionary.

In it, the great leader [yongdoja] Comrade Kim Chong-il fully elucidated the tasks to strengthen party internal work and thereby intensified work with cadres and with the masses, to strengthen party life, and to establish revolutionary work methods among party functionaries so as to bring up their politico-administrative levels. The classic work serves as a programmatic guiding principle for all party functionaries, including provincial party responsible secretaries, to adhere to firmly.

The 20 years since the publication of that classic work by the great leader [yongdoja] Comrade Kim Chong-il have been the years of victory and glory fully demonstrating the validity and the invincible vitality of the party-building theory of the respected and beloved Comrade Kim Chong-il.

The important ideology enunciated in it calls for top priority to be attached to the strengthening of party internal work.

The great leader [yongdoja] Comrade Kim Chong-il pointed out:

"To strengthen party internal work is of extremely important significance in consolidating the unity and solidarity of the party in every way, in further increasing its combat strength and building up our revolutionary ranks into an invincible force."

Party internal work is organizational and ideological work. In other words, it is organizational political work dealing with people. Whether party internal work is done correctly or not is a critical matter with a direct bearing upon the destiny of the party and the revolution. In the past period, the ruling socialist parties in certain countries had failed to pay due attention to internal work of their parties, doing little to lift the public's ideological consciousness levels and to band the masses of people around the party. At the end, their failure made it impossible for the masses, namely, the masters of socialist society, to act as masters, eventually inviting the grave results of ruining economic construction and further ruining their parties and socialism.

Even under such complex circumstances created by the collapse of socialism in those countries, and by imperialists focusing their attacks on our country, our party remained absolutely unshaken; relying on the masses of people, it could hold on to its way of socialism steadfastly, a fact that brings home to us anew today the foresight and sagacious leadership of the great leader [yongdoja] Comrade Kim Chong-il, who early on put forth the revolutionary guiding principle about strengthening the party and the revolutionary force through stepping up party internal work, and who has brilliantly embodied it.

The great vitality of the classic work lies, first of all, in that fact that it builds up firm cadre ranks and prepares all our cadres into true commanding personnel of the revolution infinitely loyal to the party and the leader [suryong].

Cadres are the backbone of the party and commanding personnel of the revolution. The party is organized with cadres as its core; all its activities depend on the role played by cadres. After all, cadres determine everything. In party work, therefore, it is important to put highest priority to work for building up the cadre force firmly.

Elucidated in the classic work are tasks in party work to select and assign cadres on the basis of their loyalty to the party and the leader and to arm them thoroughly with the ideology of our party. This is of great significance in party organizations' work to build up cadre ranks into firm, true revolutionaries with infinite loyalty to the party and the leader, and to lead them to acquit themselves fully of their basic responsibility as commanding personnel of the revolution.

In the past period, party organizations at all levels have stepped up their work with cadres. As a result, the cadre force has been firmly consolidated.

Today all our guiding functionaries are fighting on staunchly, keeping the infinite loyalty to the party and the leader engraved on their hearts as the most important source of life. Our cadres, keeping the instructions left by the Great Leader deep in their hearts, highly uphold the respected and beloved Comrade Kim Chong-il with undiluted loyalty and piety, leading the way in carrying out party plans and aims. Wherever or whatever sector we visit in our country, it makes us immeasurably proud to see so many true loyalists in their faithful struggle upholding the ideology and intent of the respected and beloved Comrade Kim Chong-il. It bears vivid testimony to the validity of the ideology elucidated in the classic work.

The great vitality of the classic work is also seen in that it has strengthened work with the masses and put our party on the solid mass foundation.

Work with the masses is an important part of party internal work. Only by stepping it up and, through it, rallying the broad masses around the party is it possible to build up and develop our party on the solid mass foundation unceasingly and to achieve victories and successes in the revolutionary struggle and construction work.

The classic work gives full elucidations to theoretical and practical questions arising in the strengthening of work with the masses. The ideology and theories in it — including those dealing with the tasks to build up the working-class force and efficiently conduct work with the core masses such as the families of the war dead and of those killed by the enemy, and the task to indoctrinate and remold the masses whose socio-political life histories and family situations are complex and thereby band them around the party — serve as a guiding principle for party organizations at all levels to adhere to in their work.

In the past period, our party has carried through the ideology and guidelines shown in the classic work thoroughly and, by doing so, brought the broad masses to unite around the party, strengthening the chuche of the revolution in every way.

Especially, our party has reinforced the ranks of the working class, leading them to play their spearhead role superbly. The working class is the most revolutionary class our party relies on as the revolution's leading class. Our party, in the past period, has seen to it that ideological indoctrination and organizational training programs are stepped up among members of the working class to endlessly enhance their revolutionary ethos, organizational spirit and disciplinary character. It has in particular paid special attention to heightening the class consciousness of new-generation members.

The ideological and mental features of our working class are in an excellent state today. It is pressing ahead upholding the leadership of the party and the leader with loyalty. They are the pillar and the foundation supporting our way of socialism. There are no classes so revolutionary and militant, so infinitely faithful to their party and firm in their faith in socialism as our working class is. Taking its revolutionary struggle ethos as a model, farmers and intellectuals now are also fighting on firmly united around the party, upholding the party and the leader with their loyalty. The lofty ideological and mental features, manifested vigorously by our people with the working class as the core, are precisely the precious fruition of our party's sagacious leadership in carrying through the guideline on the strengthening of work with the masses thoroughly as stated in the classic work.

The great vitality of the classic work is also seen in that it has generated a major turnaround in improving work method and work style of party functionaries and enhancing their political and administrative levels decisively.

To establish revolutionary work method is an important task for party functionaries.

The classic work puts great emphasis on the need for party functionaries to discard and obsolete work method and style once and for all, and to thoroughly embody a method modeled on one used by the anti-Japanese guerrillas. Also listed in the work are tasks and methods for party functionaries to improve their political and administrative levels, ranging from diligent attendance at collective study programs to careful reading of the party newspaper and keeping in touch with international and domestic issues, and to doing through-film studies well.

In the past period, our party, adhering to the ideology and theories stated in the classic work, has pressed ahead vigorously with work to establish revolutionary work method among party functionaries and improve their political and administrative qualifications. Today our party functionaries are pressing ahead thoroughly embodying the anti-Japanese guerrilla-type work method according to the intent of the party and the leader; they organize and mobilize the masses masterfully to vigorously push socialist construction forward. Firmly prepared politically and administratively, party functionaries are accomplishing superbly any revolutionary tasks assigned to them by the party.

The party-building theory elucidated in the classic work "On Several Questions Dealing with Party Work in the Present Period" by the great leader [yongdoja] Comrade Kim Chong-il is demonstrating its invincible vitality to the fullest in our revolutionary practice. It has become a powerful ideological and theoretical weapon in our strengthening the party and accelerating the revolution and construction.

Confronting our party and people today is the heavy task to ultimately attain the great revolutionary cause of chuche under the leadership [yongdo] of the respected and beloved Comrade Kim Chong-il, holding up highly the instructions left by the great leader Comrade Kim Il-song. The prevailing situation and our revolutionary mission demand that party organizations at all levels keep the focus on party work and party internal work more intensively than ever and, by doing so, strengthen the party and build up our revolutionary force thoroughly. The basic guiding principle in accomplishing this task is the chuche-based party-building theory advanced by the great leader [yongdoja] Comrade Kim Chong-il.

We must embody more thoroughly the chuche-based party-building theory as elucidated by the great leader [yongdoja] Comrade Kim Chong-il in his classic work "On Several Questions Dealing with Party Work in the Present Period," and by doing so, strengthen our party in every way, turn our socialist position into an iron-clad bastion, and push the revolution and construction forward vigorously.

South Korea

U.S. Soldiers Reportedly Beat Koreans

SK2011103995 Seoul HANGYORE SINMUN in Korean 19 Nov 95 p 19

[FBIS Translated Text] At around 0150 on 18 November, three drunken U.S. Army soldiers, including Corporal Rogan Melkum [name as transliterated], 24, who belongs to the 2d U.S. Division, stopped the car (Royal Prince, Kyonggi 1 Ku 6773) of Pak Song-chin, who lives in Posan-tong, Tongduchon, Kyonggi Province, and hit him in the head and the right arm, inflicting an injury which will take two weeks to heal completely.

Pak Song-chin told the police: "Eight U.S. soldiers blocked the road and refused to make way for my car. So, I asked them to make way, honking my horn, and as soon as I got out of my car, these U.S. soldiers suddenly beat me."

After questioning them, the police handed over these soldiers to the U.S. authorities.

On the same day, at around 0100, Corporal Richard Fitaeker [name as transliterated], 28, belonging to the U.S. Air Force, pummeled the 34-year-old Yi Ho-pom in the head with his fists. As a result, Yi Ho-pom's lips and front teeth were damaged. Yi is the manager of "Top Hat Club," located in Anchong-ri, Pyongsong-up, Kyonggi Province.

Police Question Soldiers About Subway Damage

SK2011104095 Seoul YONHAP in English 1029 GMT 20 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 20 (YONHAP) — The Chongno Police of Seoul on Monday called in and questioned two American servicemen for their alleged smashing of a subway window pane under the influence of alcohol.

One of the pair was identified as Sgt. Posenty Rowlance (phonetic), age 33, assigned to 82nd Engineer Company of the Eighth U.S. Army.

A police source said that Sgt. Rowlance and four other American soldiers are suspected of smashing a window pane and taking off a strap of subway train No. 3427 when the train made a stop at the Kyongbokkung Station of Subway No. 3 around 9:20 PM [1220 GMT] last Nov. 11.

The damages were estimated at 80,000 won, he said.

Mr. Sin Chong-won, 45, of a company employee, who happened to be in the same subway coach, said the five soldiers who boarded the subway at Kupabal, ran amuck after some nearby Korean passengers protested their smoking in the coach.

The police plan to question the remaining three G.I.s Tuesday.

Vice President Gore, Kim Yong-sam Meet in Osaka

SK2011015195 Seoul KBS-1 Television Network in Korean 1202 GMT 19 Nov 95

[FBIS Translated Text] Right after the Asia-Pacific Economic Cooperation [APEC] summit talks, President Kim Yong-sam received U.S. Vice President Al Gore. President Kim and Vice President Gore agreed to jointly take measures based on close consultation between the two countries since North Korea's recent situation has been very uncertain.

The following is a report by reporter Kim Hong:

[Begin Kim recording] On the afternoon of 19 November, at his lodging in the Royal Hotel, President Kim Yong-sam received U.S. Vice President Al Gore, who took part in the APEC summit in place of President Clinton, and held discussions by emphasizing the surrounding situation on the Korean Peninsula.

President Kim and Vice President Gore duly recognized the fact that presently North Korea's direction is uncertain at a time when the succession of power has not been yet achieved, and the DPRK has infiltrated armed guerrillas while holding the Korean Peninsula Energy Development Organization [KEDO] negotiations.

The leaders of the two countries agreed to make sufficient preparations for the possibility that North Korea may move toward an unreasonable and irrational direction. In addition, they agreed to make efforts to lure North Korea toward a stable and peaceful direction through the KEDO negotiations.

President Kim and Vice President Gore agreed that it is necessary for the ROK and the United States to have close consultations with each other since North Korea's situation is uncertain, and in connection with the fact that it was agreed between the two heads of state in a telephone conversation on 16 November to send a strong message to North Korea, it was decided to hold vice foreign minister-level, working-level talks early next month in Washington.

With the end of his meeting with Vice President Gore, President Kim completed his official schedule in Osaka. During his visit to Osaka, President Kim achieved results through individual summit talks which were just as good as the results achieved at the APEC summit talks.

In particular, the ROK-Japan summit talks provided an opportunity to normalize relations between the two countries, which became unprecedentedly cool due to Japan's absurd remark regarding past history. And by giving a warning to Japan on its unjust attitude toward the North, a result was achieved in which Prime Minister Murayama put forth three principles for the establishment of diplomatic relations with North Korea.

Regarding the results of the APEC summit, the Japanese media expressed the view that Osaka was a magnificent arena for President Kim and PRC President Jiang Zemin. [end recording]

ROK, U.S., Japan Strengthen Cooperation

SK1911120395 Seoul SEOUL SINMUN in Korean 18 Nov 95 p 8

[Article by Yi Kyong-un from Osaka: "The Significance of Regularizing ROK-U.S.-Japanese High-Level Talks"]

[FBIS Translated Text] During talks in Osaka on 17 November, ROK, U.S., and Japanese foreign ministers agreed to regularize their high-level talks in order to strengthen their cooperation to coordinate a policy toward North Korea.

The three countries opened their three channels in the Korean Peninsula Energy Development [KEDO]; Stephen Bosworth, director of the KEDO, and Choe Yong-chin and Endo Tesya [name as transliterated], deputy directors. However, it is necessary for a regular channel between those three countries to maintain stability on the Korean peninsula, as well as to coordinate a policy toward North Korea, including carrying out the work to provide the light- water reactors to North Korea. According to this assessment, they have agreed to hold the high-level talks.

First of all, the ROK side was the first to ask the United States and Japan to hold the high-level talks.

Since the U.S.-North Korean agreement was signed in Geneva in 1994, the government has continued attempting to create a dialogue channel with North Korea. While the ROK was unconditionally providing rice to North Korea according to the agreement signed between the North and South Korean authorities during the Beijing talks, the incidents — such as the abduction of Usongho and Reverend An Sung-un to the North — took place successively. Therefore, the tension of North-South relations has seldom relaxed. In particular, the government is concerned about the present situation in which North Korea dispatches armed agents to South Korea and in which North Korean agents, who infiltrated into the South Korean society, are conducting their activities, even disclosing their identities.

It is hard to say that the cooperation between the three countries to coordinate a policy toward North Korea has been activated.

This year, Japan struggled against the ROK Government to take the initiative in providing rice to North Korea, regarding the question "who will be the first to provide rice to North Korea?" Also, the ROK and the United States had different opinions in determining the scale of supplying the light-water reactors to North Korea during the light-water reactors negotiations with the North Korean side, including the quasi-high-level talks between the United States and North Korea in Kuala Lumpur.

The government seems to believe that under these circumstances, it should strengthen cooperation with the countries related to the policy toward North Korea in order to effectively improve North-South relations.

In particular, in a joint statement issued after their talks ended, the three foreign ministers stated that "the U.S. role is indispensable in securing peace and stability on the Northeast Asian region." This is intended to disavow, in advance, the intention of North Korea, which wants to achieve the withdrawal of U.S. troops from South Korea while calling for the signing of the peace agreement with the United States by excluding South Korea from it.

Various channels have been opened between the ROK and the United States, such as the annual Security

Consultative Meeting, the high-level policy consultative council, and North Korean policy consultation body President Kim Yong-sam and U.S. President Bill Clinton have agreed to set up. Also, there are various channels of dialogue between the ROK and Japan, such as meeting of ministers, talks between foreign ministers, and meeting of directors in charge of Asian affairs.

A high-level Foreign Ministry official stated that "the three countries will hold the high-level talks while maintaining existing channels."

Daily Urges ROK-U.S.-Japan Cooperation

SK2011053195 Seoul CHUNGANG ILBO in Korean 19 Nov 95 p 4

[Editorial: "The ROK, the United States, and Japan Must Strengthen Cooperation in Handling North Korea"]

[FBIS Translated Text] The ROK, the United States, and Japan have decided to form a policy council to coordinate their policy toward North Korea and hold high-level talks on a regular basis. This is an appropriate decision, given the fact that problems arose in the light-water reactor negotiations and the U.S. and Japanese contacts with North Korea.

The three countries previously stressed the importance of a cooperation system and acted as if the cooperation system was working well. The cooperation system compelled the United States and Japan to link the improvement of their relations with North Korea with the progress in inter-Korean relations and have close consultations among them. However, the fact that the three countries decided to form a policy council means, paradoxically, that the cooperation system has not been working efficiently contrary to their expectations.

The United States and Japan have stated that they would take the ROK's positions into utmost consideration when dealing with North Korea. We have been dubious about their action in reality, in spite of their specious diplomatic rhetoric. This is our frank assessment. For example, we have suspected that the United States may seek to put a heavier burden on us as North Korea requests more and more in the light-water reactor negotiations. And, in the course of rice supply to North Korea, Japan left the impression that it had a walkover despite the ROK-Japan cooperation system. Japan even appeared to compete with the ROK in making efforts to improve relations [with the North], which gave rise to delicate ROK-Japan conflicts.

At present, only technical problems remain before North Korea and the United States open liaison offices, and the Japan-North Korea talks for normalizing relations are imminent. At this important junction, North Korea is employing various tricks to solve the Korean peninsula problem to the exclusion of the ROK. Therefore, the United States and Japan should not give an impression that they are dealing with North Korea behind the back of the ROK.

The improvement by the United States and Japan of their relations with North Korea is not a bilateral issue; It is rather an issue directly related to the security and peace on the Korean peninsula and in Northeast Asia. It is all the more necessary for the ROK, the United States, and Japan to exchange information and closely cooperate, given the fact that North Korea is unpredictable. This is what the policy council of the three countries must solve.

Dailies View Clinton APEC Absence

SK2011060095

[FBIS Editorial Report] Local vernacular dailies on 19 and 20 November carry reports, an article, and an editorial discussing the absence of President Bill Clinton from the Asia-Pacific Economic Cooperation [APEC] summit talks and the meeting between President Kim Yong-sam and U.S. Vice President Al Gore.

The pro-government SEOUL SINMUN on 19 November carries on page 3 a 700-word editorial titled "The President's Diplomacy at APEC Summit Meetings." While assessing President Kim Yong-sam's active diplomatic activities during the APEC meeting, the editorial touches on the issue of President Clinton's absence from the APEC meeting. The editorial writes: "Through the APEC summit forum, which followed the historic summit talks between President Clinton and PRC President Jiang Zemin, in which the two sides confirmed the principle of having the parties directly concerned solve the Korean problem, President Kim was scheduled to have summit talks with U.S. President Clinton on the issues of reunification and security on the Korean Peninsula.

"It is regrettable that these summit talks failed to take place due to the absence of Clinton due to the U.S. domestic situation. However, it can be positively assessed that through a telephone conversation with President Clinton on 16 November and his meeting with Vice President Gore, President Kim achieved the expected results by securing mutual agreement on the need to send a strong message to North Korea, which recently showed ill-boding moves, such as the dispatch of armed spies."

The moderate CHUNGANG ILBO on 20 November carries on page 6 a 700-word article titled "APEC Without Clinton" written by reporter Pae Myong-bok.

Noting Japan's lavish preparations and elaborate efforts for the APEC summit forum to elevate Osaka to the level of an international city, the article, however, points out: "Due to the absence of Clinton, APEC virtually ended as a half-meeting. Even though the Japanese Government pretended as if nothing had happened, the Japanese media could not hide its feelings of regret and discomfort. Criticizing Clinton's move of giving more weight to his re-election than relations with Japan, some within Japan even interpreted his absence as a warning sign that there is a fundamental change in bilateral relations."

The article then points out that Japan's ambition to display "its diplomatic skill" in the recent summit meeting has "suffered a great setback due to a simple U.S. domestic issue."

KYONGHYANG SINMUN on page 5 and TONG-A ILBO on page 2 on 20 November carry identical reports on the meeting between President Kim Yong-sam and Vice President Al Gore. The moderate CHUNGANG ILBO on page 6 carries the same report, except it adds one additional paragraph (see last paragraph below.) The following is a full text of the report:

"After winding up the APEC summit talks, President Kim returned to his lodgings in the Royal Hotel and met with U.S. Vice President Al Gore at the Sakura Room on the second floor of the hotel from 5:00 p.m. During the talks, the two sides discussed ROK-U.S. relations and issues of mutual concern. President Kim greeted him by saying: 'It is good to see you again four months after we met in Washington at a ceremony to unveil the monument marking U.S. soldiers' participation in the Korean War.' Vice President Al Gore conveyed greetings from President Clinton by saying 'President Clinton truly looked forward to coming to the APEC meeting and talking with Your Excellency. He deplored the fact that he could not come to the meeting due to the domestic situation.'"

The moderate CHUNGANG ILBO further adds: "President Kim then explained what he and PRC President Jiang Zemin discussed during Jiang's ROK visit and added: 'The development of amicable U.S.-Sino relations is important for the security and development of the Asia-Pacific region.' The vice president expressed gratitude by saying 'We are grateful for the ROK's contribution to U.S.-Sino relations.'"

Foreign Minister Interviewed on Ties

OW2011134595 Tokyo NIHON KEIZAI SHIMBUN in Japanese 20 Nov 95 Morning Edition p 8

[FBIS Translated Text] ROK Foreign Minister Kong No-myong gave an interview to NIHON KEIZAI SHIMBUN on 19 November, and stressed the need for the early resumption of the ROK's dialogue with the DPRK (North Korea).

In the interview, given in an Osaka hotel during his Japan trip to attend the Asia Pacific Economic Cooperation (APEC) forum, Kong stated, "North Korea has the wrong idea that it can deal with Japan and the United States without the ROK." He also criticized North Korea's refusal of the ROK's direct involvement in construction of the light-water reactors granted by the Korean Peninsula Energy Development (KEDO). He stressed the ROK should play an active role in the aid project.

Kong said that at the 17 November meeting the foreign ministers of Japan, the United States, and the ROK agreed to take coordinated actions on North Korean policy. However, he noted that this was "not aimed at isolating North Korea," but at promoting North-South dialogue. He then noted North Korea is reportedly trying to repeal the armistice concluded after the Korean war, saying "it is an extremely dangerous attempt."

In the 18 November meeting with ROK President Kim Yong-sam, Prime Minister Tomiichi Murayama offered the principle that "Japan and the ROK should maintain close consultations concerning contacts with North Korea." Kong said he welcomes the results of the Murayama-Kim talks. However, he added that Japan should be more careful about the sentiments of the Korean people. He stated: "The Korean people would react emotionally if Japanese leaders in official positions say something that goes against the policies of the Japanese Government."

Commenting on APEC's Action Agenda for regulating principles for liberalizing trade and investment, Kong said that APEC adopted flexible farm trade rules, and "the ROK's opinion was accepted" in this field. He then criticized Malaysia's position "to not be restricted by the Action Agenda," noting: "The Action Agenda is a voluntary program, and it is not meaningful to discuss its restrictive power."

Daily Welcomes Agreement on Action Plan

SK1811111795 Seoul CHOSON ILBO in Korean 18 Nov 95 p 3

[Editorial: "Agreement on the Asia-Pacific Economic Cooperation Action Plan"]

[FBIS Translated Text] At the ministerial-level conference held for two days at the seventh Asia-Pacific Economic Cooperation [APEC] meeting in Osaka, Japan, an agreement on an action plan was achieved after much difficulty. Thus, it will be possible to realize the so-called "Osaka Declaration" at the APEC summit meeting. The action plan, which was to determine the success or failure of the Osaka meeting, is a project to settle the concrete practical guidelines of the declaration on the liberalization of trade and investment in the Asia-Pacific region, which was adopted at the Bogor meeting held last year. Therefore, apart from the agreement on collective principles, the focus of attention was on how to overcome the differences that occur among member countries that have different interests.

In particular, regarding the opening of the agricultural field, export countries such as the United States and Australia are calling for the theory on the principle on comprehensiveness while Japan, China, and the ROK are calling for the so-called theory on exceptional flexibility. Considering the fact that such confrontation may even bring about collapse in the fundamentals of the APEC, the agreement on the action plan signifies that the first crisis of the APEC has been overcome.

However, it seems that the agreement on the action plan does not automatically guarantee a smooth implementation of the timetable of the liberalization of trade and investment in this region slated for next year and beyond. The greatest reason for this is the vagueness in the interpretation of the agreement. This is a last resort to avoid acute confrontation and destruction regarding this matter. It seems that a compromise was reached by using a vague expression of "flexible promotion" for liberalization. There is the high possibility that such a vague agreement may bring about much dispute and confusion in the future.

However, what cannot be overlooked is the fact that just as the various subtle particulars, our basic position and overall interest regarding the APEC are equally important. Among our overall trade, over 70 percent of dealings are carried out in this region. Therefore, establishing relations with this region is important to the fact that it is a matter of life and death. Moreover, in the process of reorganization of the world order being collectivized into a great bloc, APEC is probably the first great arena for us to manage the interest of our country by ourselves, thus, there is no need for us to spare efforts and diplomatic capabilities anywhere. APEC is still immature conceptually and organizationally, and there are still many changeable elements. However, APEC probably requires us to prepare strategic measures that enable it to become a durable and comprehensive regional community, rather than a simple regional economic cooperation system of limited interests.

In this connection, it is worth turning our attention to the fact that recently, for the first time, U.S. Secretary of Defense Perry mentioned APEC as a security organization. However, the pressing matter at this time is expanding various forms of cooperation to reduce the gap in development in this region and in expanding trade and investment.

Dailies on Conclusion of APEC Meeting

SK2011075495

[FBIS Editorial Report] The following is a compilation of comments by ROK vernacular newspapers to the conclusion of the Asia- Pacific Economic Cooperation (APEC) meeting in Osaka, Japan.

Moderate TONG-A ILBO carries on page 3 a 900-word article by reporter Yi Tong-kwan from Osaka entitled "Asian Countries Holding in Check the U.S.-led Liberalization Campaign."

The article first describes the results of the Osaka meeting issue by issue. It then notes the U.S. concessions on trade liberalization and most-favored-nation status, saying: "The United States stood on the defensive, largely because President Bill Clinton had canceled the plan to visit Japan for a domestic reason. The United States did so also because of the Asian countries' complaints about the U.S.-led efforts for liberalization. This casts a dark shadow over the future of APEC."

Moderate CHUNGANG ILBO carries on page 5 a 1,000-word article by reporter Kim Chong-su from Osaka entitled "The Meaning and Tasks of the APEC Meeting."

The article first elaborates on the agreements in the APEC meeting. It then says: "Despite the 'action agenda' adopted in the meeting, one should not expect too much from the trade liberalization of the Asia-Pacific region." It goes on to say: "How the United States, the biggest economy in APEC, will respond to Asian economies' efforts to have their 'own voices' will be noteworthy with regard to the future character of the APEC."

Moderate KYONGHYANG SINMUN carries on page 3 an 800-word editorial entitled "What the APEC Meeting Achieved." After elaborating on the agreements in the APEC meeting, the editorial says: "As a result of the agreements, the ROK will be able to map out strategies to advance into China and Southeast Asian countries, which have emerged as new trade and investment markets in the nineties." After welcoming the agreement on agricultural trade, the editorial says: "Our government must make more diplomatic efforts to make APEC into a more cohesive and efficient consultative body. As the ROK played the role of a mediator between the developed countries and the developing countries in the negotiations on agricultural trade, if the ROK well takes advantage of its position of a middle country, we will be able to freely obtain capital, technology, and services from the advanced countries at cheap prices and advance into wider trade and investment markets of developing countries."

Pro-government SEOUL SINMUN carries on page 3 an 800-word editorial entitled "A Big Step Taken at the APEC Summit."

The editorial first describes the meeting's adoption of the action agenda as the "biggest achievement" and says: "The effectiveness of the action agenda is doubtful because of Paragraph XIII on 'flexibility.' Still, we should not overlook the importance of the fact that the action agenda for liberalizing trade in APEC have taken shape." After welcoming President Kim Yong-sam's proposals on the information superhighway and education, during the meeting, the editorial says: "We believe they are realistic and concrete proposals. Basic cooperation in those areas will be a foundation for the common prosperity of the Asia-Pacific region."

President Returns Home From APEC Summit

SK2011072595 Seoul YONHAP in English 0408 GMT 20 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 20 (YONHAP) — President Kim Yong-sam arrived here Monday from his four-day visit to Osaka where he participated in the summit meeting of the Asia-Pacific Economic Cooperation (APEC).

The chief executive landed at Seoul Airport aboard a special Air Force plane and headed for Chongwadae, the presidential mansion.

Political sources said that it is worth noticing what measures he will take to ease the current political tension triggered by former president No Tae-u's slush fund scandal.

Chongwadae officials said that he set no schedule other than an informal weekly joint meeting of the ruling Democratic Liberal Party (DLP) and the government early this week.

Earlier in the day, President Kim had met with family members of Kooya Watanabe, son of Kim's former middle school teacher, at Osaka Royal Hotel before leaving for Seoul.

North To Allow Foreign Tourists To Tour Najin

SK2011015495 Seoul YONHAP in English 0020 GMT 20 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 20 (YONHAP) — The North Korean Committee for the Promotion of External Economic Cooperation recently signed a contract with the Zhongda Group, one of the four biggest business groups in China, for tourism cooperation, a Zhongda official said Monday.

The official, now visiting Seoul as a member of his company's delegation, said that his group signed the agreement with Kim Chong- u, general manager for development of Najin and Sonbong region in North Korea, on Sept. 26 in Beijing. The deal calls for the construction of a 20-story building in the region and arrangements for foreign tourists to travel in the region.

He quoted Kim as saying that Pyongyang will not prohibit South Koreans from touring the area.

Daily Reports Economy on 'Verge of Collapse'

SK2011051595 Seoul KYONGHYANG SINMUN in Korean 20 Nov 95 p 6

[YONHAP report from Tokyo]

[FBIS Translated Text] In a report dispatched from Beijing, Japan's JIJI News Agency reported that GUOJI SHANGBAO, a daily published by China's Ministry of Foreign Trade and Economic Cooperation, reported on 18 November that in a study of the development plan for the Tumen River Basin, it was pointed out that North Korea's economy is on the verge of collapse.

The study pointed out the possibility that the Tumen River development plan, which is being promoted by China, North Korea, and Russia, may fail, and said: "For a long time, North Korea's economy has been on the verge of collapse, and amid political instability, military spending is being expanded and its system has become rigid."

JIJI News Agency added that it is unprecedented for China's media to express such pessimistic opinions on North Korea's situation.

North Korea Joins World Boxing Council

SK1711130995 Seoul CHOSON ILBO in Korean 17 Nov 95 p 18

[FBIS Translated Text] North Korea joined the World Boxing Council [WBC], one of the world's three major professional boxing organizations. This is a noteworthy change in North Korean policy because it has so far criticized professional boxing as a capitalist sport.

Mr. Yi Won-pok, director in charge of international affairs of the Korean Boxing Committee [KBC] who attended the WBC conference held in Chiang Mai, Thailand from 7 to 11 November, said on 16 November that North Korea officially became a member state of the WBC at the conference. With the addition of North Korea, the WBC has 76 member states.

North Korea's joining the professional boxing organization must have been prompted by its desire to earn foreign currency in an attempt to help ease its severe economic difficulty. The KBC anticipates that North Korea will probably join the World Boxing Association in the near future, as well. North Korea founded a professional boxing association in July 1992, and held the first domestic professional championship in January 1994.

Antonio Inoki (52), Japanese pro-wrestler-turned member of the House of Councilors who attended the Pyongyang International Sports and Culture Festival in April, announced that he would invite four North Korean boxers, including Choe Chol-su (26), gold medalist of the 1992 Barcelona Olympics, to Japan. Choe Chol-su held a boxing match making his debut in professional boxing at the Chongchun Street Stadium in Pyongyang on 23 February.

North Korean Logger Defects 18 Nov

SK1911061795 Seoul YONHAP in English
0233 GMT 19 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 19 (YONHAP) — A North Korean logger arrived in Seoul on Saturday, a Foreign Ministry spokesman announced Sunday.

Prior to this, Sin Myong-chol, who escaped from his workplace in Siberia, have stayed in the area of the Commonwealth of Independent States, the spokesman said.

He added that more detailes on the North Korean woodcutter will be available soon.

Meanwhile, the Seoul government is permitting the defection of North Korean loggers to the country in a humanitarian dimension.

Choe Profiled as Kim Chong-Il's 'Close Friend'

SK2011115395 Seoul HANGUK ILBO in Korean
20 Nov 95 p 8

[Article by Min Pyong-yong, a researcher at the Unification Research Institute; from the "Figures Running North Korea" column: "Choe Yong-hae, Chairman of the League of Socialist Working Youth of Korea"]

[FBIS Translated Text] Choe Yong-hae (51), chairman of the Central Committee of the League of Socialist Working Youth of Korea [LSWYK], which is most important affiliated organization of the Workers Party of Korea, stands in the van of fostering "the vanguard" of the Kim Chong-il era. North Korean youth, males and females between 14 and 30 years of age, are liable for membership in the LSWYK, with its members now numbering 5 million. The LSWYK has massive organizations in schools, workshops, and even the People's Army. In addition, three million members of the juvenile corps belong to this organization. In the wake of 50th anniversary of its founding on 17 January next year, the LSWYK organ NODONG CHONGNYON [working youth] emphasizes "Let us further strengthen ideological indoctrination work."

Among the 100 senior officials in the party Central Committee, Choe Yong-hae is the youngest key official from the second generation of the revolution. Other than LSWYK chairman, the assignments Choe presently has assumed include chairman of the DPRK Soccer Association, chairman of the DPRK Youth Taekwondo Association, vice chairman of the State Physical Culture and Sports Committee, and member of the Standing Committee of the Supreme People's Assembly.

Choe Yong-hae is the second son of Choe Hyon, a first generation anti-Japanese guerrilla who was formerly minister of National Defense and minister of the People's Armed Forces (he died in 1982). Choe Yong-hae was born in Sinchon, South Hwanghae Province, in 1944. He graduated from the Mangyongdae Revolutionary Academy and the Department of Politics and Economics of Kim Il-song University. After working as a researcher at the university, he became director of the LSWYK Indoctrination Guidance Department. Since then, he has taken the lead in the work to idolize Kim Il-song and Kim Chong-il and to educate youth in loyalty. He was appointed vice chairman of the LSWYK in 1981 and its chairman in 1986.

Although Choe Yong-hae is two years younger than Kim Chong-il, the two have been very close friends from childhood, with Choe enjoying absolute trust from Kim Chong-il. Choe was assigned as chairman of the Preparatory Committee for the 13th World Youth and Students Festival held in Pyongyang in 1989. He visited Cuba and Japan in 1991, as well as France and Spain in 1992. During these trips, he attempted to push ahead with youth and student exchanges in these countries. When the North-South unification soccer game was held in 1990, he hosted a dinner for the ROK's team members.

During the rally to commemorate the first anniversary of Kim Il- song death in July this year, he gave a speech entitled "Let Us Render Loyalty for Generation After Generation." He recently put forward a slogan, "Let all members of the LSWYK become guns and bombs to safeguard Kim Chong-il." In addition, he is carrying out the agitation work for youth to be "responsible party elements and to ensure the blooming of the socialist revolution." With the commonality that his age is similar to that of Kim Chong-il, and that the two are second generation the anti-Japanese guerrillas, it is most likely he will continue to hold important positions in the future.

PRC's Jiang Visits Chaebol, Meets Leaders

SK1811020895 Seoul THE KOREA TIMES in English 18 Nov 95 p 8

[FBIS Transcribed Text] The visit here by Chinese President Jiang Zemin is generally seen as an instrumental part of boosting the already-amicable industrial and economic relationship between South Korea and China.

In fact, his visit to a number of industrial facilities, including a semiconductor plant of Samsung Electronics, has created a strong impression, in pursuing joint industrial projects.

During his visit to Hyundai companies in Ulsan, Kyongsang-namdo, Jiang met with group founder Chong Chu-yong and said he had always respected Chong but a visit to the gigantic facilities further cemented his impression.

Jiang was so attracted to the manufacturing plant of Hyundai Motor that he spent more than 90 minutes there, double the initially-scheduled 45 minutes, asking various technical questions and taking an elaborate look.

"What was significant about the visit was that he was accompanied by ranking officials in a number of industrial disciplines, including Wu Yi, Minister of Foreign Trade and Economic Cooperation," said one official of the Ministry of Trade, Industry and Energy.

He said while no conclusive agreements were signed by the two countries during the visit, progress was made in a number of joint venture projects, such as the development of mid-size passenger planes.

MOTIE Minister Pak Chae-yun met with three Chinese ministers last Tuesday and made substantial progress in each area, agreeing to set up a company for overseeing the aircraft development project by next January.

"The simple fact that the head of state of China felt it necessary to make an official visit here for the first time in history is indicative of the recognition of the need to boost bilateral cooperation in an increasing range of business areas," the MOTIE official explained.

He went on to say that just as Korea has a lot to gain from its close ties to China, the socialist country is excited about the prospect of enlisting Korea's support in such issues as its membership in the World Trade organization.

The official said, "Virtually any enterprise would be interested in business prospects in the emerging Chinese market and Jiang's visit was crucial in that it presented him with a clear picture of what the Korean industry is all about."

Already, trade and cooperation between the two countries are reaching new highs with Korean companies moving into the Chinese market with huge investments. As much as 15.9 percent of all Korean offshore investments since 1990 was made in the socialist country. In terms of trade, the bilateral exchange of goods in the first nine months of this year soared to 11.91 billion dollars, up 41.3 percent over the same period of last year.

Rescued Fisherman Delivered to Shanghai Consulate

SK2011080195 Seoul YONHAP in English 0651 GMT 20 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 20 (YONHAP) — Rescued by a Chinese fishing boat in the East China Sea after his ship sank in a storm, a South Korean fisherman was handed over to the South Korean Consulate-General in Shanghai Sunday [19 November], a Foreign Ministry spokesman said Monday.

Yi Pok-sol was listed in stable condition with some pains in his waist and will return to his country as soon as he finishes procedures for his departure from China, the spokesman said.

The ministry quoted Chief Engineer Assistant Yi, who was on board the Taekyong No. 612 when it sank in the East China Sea last Monday amid strong storm, as saying that 11 other fishermen were also on the ill-fated fishing boat.

The remaining 11 fishermen are feared drowned, although the Chinese authorities are still searching for them, the spokesman said.

The vessel departed for the East China Sea on Oct. 28 and was returning to Yosu Port, South Cholla Province, on Nov. 13 when the trawler submerged in a strong storm.

Yi was able to escape through a window and was rescued by a Chinese fishing boat.

Dailies React to ROK-Japanese Summit Talks

SK1911114995

[FBIS Editorial Report] The following is a compilation of editorials and an article carried by the 19 November Seoul vernacular dailies reacting to the ROK-Japanese summit talks in Osaka, Japan held on 18 November.

The moderate TONG-A ILBO carries on page 3 an 800-word editorial entitled "Japan Should Save Its Words." Referring to Japanese Prime Minister Tomiichi Murayama's official apology for the Japanese politicians' remarks on colonial rule over the Korean peninsula, the editorial says, "his apology is more sincere than any apology made by Japanese officials in the past. Therefore, it attracts people's attention."

Noting the difference in ideas between the ROK and Japan over the ROK-Japanese Annexation Treaty, the editorial says, "Prime Minister Murayama recently sent a letter to the ROK indicating that the treaty was signed based on unequal relations between Korea and Japan, and that it is a treaty of the imperialist era." Calling upon government officials of the two countries to be prudent in making remarks and, especially, urging the Japanese authorities not to repeat the remarks to "beautify" their colonial domination of Korea, the editorial says, "Japan should have a correct view of history. Also, the Japanese politicians should save their words."

The moderate KYONGYANG SINMUN carries on page 3 an 800-word editorial welcoming the avoidance of conflict between the ROK and Japan over the remarks by Japanese officials as regards the colonial rule of the Korean peninsula. Noting the importance of having a correct view of history, the editorial says, "it is fortunate for the two countries to form a joint committee to study their history during the meetings between the ROK-Japanese summit talks and between their foreign ministers." It refers to the need for cooperation from the people of the two countries to successfully operate this committee. The editorial says that if the governments of the two countries want to use it for political purposes in order to avoid the current conflicts, this committee itself will create another conflict between them. The editorial adds that in this respect, the political leaders of the two countries should hold an objective and looking-forward attitude rather than having a political position.

The pro-government SEOUL SINMUN carries on page 3 a 700-word editorial welcoming President Kim Yong-sam's "positive" diplomatic activities during the meeting of the Asia Pacific Economic Cooperation [APEC]. The editorial says, "following the meeting with PRC President Jiang Zemin in Seoul, President Kim Yong-sam has held talks with leaders from the APEC, Australia, Japan, and Thailand."

Referring to the importance of the APEC in the ROK's trade, the editorial says, "In his keynote speech, President Kim Yong-sam will present directions in which the APEC should move, declaring the ROK will to actively participate in it."

Noting U.S. President Clinton's absence from the APEC because of the U.S. political situation, the editorial says that President Kim Yong-sam met with the U.S. vice president to deal with North Korea's recent moves such as the sending of "armed agents" to South Korea.

The moderate HANGUK ILBO carries on page 3 an 800-word article referring to the significance of the ROK-Japanese summit talks. The editorial stresses: "It is very significant because the talks serve as an occasion to dispel uncomfortable relations between the two countries over the past issues." Referring to President Kim Yong- sam's remarks indicating that "Japan should have correct view of past history," and that "the future of the two countries can be discussed based on a correct awareness of past history," the editorial notes Japanese prime minister's remarks that "based on the reflection upon the past act, we should maintain looking-forward relations between the two countries." The editorial then concludes by noting, "the leaders of the two countries have clearly expressed the position as regards the issue of normalizing relations between North Korea and Japan."

Exporters Face Japan's Special Safeguard Tariff

SK1711131195 Seoul THE KOREA HERALD in English 17 Nov 95 p 8

[Report by staff reporter Kang Yon-sun]

[FBIS Transcribed Text] Korea's pork exporters face grim months ahead with Japan's Nov. 1 slapping down of the special safeguard tariff on its pork imports, meat industry sources say.

"The price of Korean pork in Japan saw a 23.7-percent price hike overnight," said Kim Tong-song at the Korea Swine Association [KSA] yesterday.

Japan will reportedly maintain the special safeguard tariff through next March, in order to prevent excessive imports from entering its meat market.

The tariff has stymied Korea's monthly export shipment of about 1,000 tons of frozen and chilled pork, said

Kim. The association estimates the monthly shipment will be roughly halved as Korean pork loses its price competitiveness in the Japanese market.

Within the framework of the WTO (World Trade Organization), importing countries resort to the special safeguard tariff when imports of farm goods exceed a set limit, as a way of protecting domestic producers.

Korea is primarily a meat importing country. But it also ships a growing amount of pork to Japan, one of the world's largest importers of beef and pork.

Last year, Korea's pork exports to Japan totaled a little under 12,000 tons and about $65 million in value, according to government statistics.

This year, pork exports in the first eight months grew by 36 percent from the same period last year.

Korean exports may comprise a tiny portion of some 470,000 tons Japan imported last year. But local meat producers including the National Livestock Cooperatives Federation (NLCF) have been hoping to win the increasing portion of the high-value chilled pork market.

For now, chilled pork comprises about 25 percent of Korea's exports to Japan.

The handling of chilled meat requires a complex set of regulations due to sanitary reasons, but Korea's geographic proximity to Japan was seen as a potential asset.

As export prospects dim, more Korean exporters could attempt to produce the higher-value chilled pork, which is more popular than frozen pork, market watchers say.

But the switch isn't expected to be easy, since the handling of chilled pork is entirely different from the treatment of frozen pork.

Chilled pork production, is for one thing confined to three to four large meat producers, including NLCF and a pork farm run by Miwon Co. but these firms constitute only a handful of some 40 firms exporting pork to Japan.

An NLCF official said, "There is very little choice. The exporters will have to sell to the domestic market."

Japan imported a little over 470,000 tons of pork from overseas last year.

Its pork imports in the first months was over 250,000 tons, according to the KSA data. Japan's pork import grew an excess of 19 percent in recent quarters, prompting its government to slap down the special safeguard tariff.

Canadian Envoy Urged To Respond to Allegations

SK1811031995 Seoul YONHAP in English 0213 GMT 18 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 18 (YONHAP) — The South Korean Government has formally asked the Canadian Government to clarify its position on allegations that a Canadian Intelligence Agency eavesdropped on the South Korean Embassy in Ottawa, a Foreign Ministry spokesman said Saturday.

Deputy Foreign Minister for Political Affairs Yi Chae-chun asked Canadian Ambassador to Korea Michel Perrault [to] come to the Foreign Ministry Friday and conveyed the request, the spokesman said.

Perrault was quoted by Foreign Ministry Spokesman Chang Chol-kyun as saying that the Canadian Embassy will deliver the request on the alleged eavesdropping case to the Canadian Government so that it could try its best in bringing light to the allegation as soon as possible.

A similar request was also given to Canada's Deputy Minister of Foreign Affairs Gordon Smith when Deputy Foreign Minister Yi received Smith at the Foreign Ministry Wednesday, the spokesman said.

An employee at the Communications Security Establishment (CSE), appearing on a television news program last Sunday, revealed her involvement in a project to gather economic, defense and security intelligence through wiretapping of communications between South Korea's Embassy in Ottawa and the Foreign Ministry in Seoul.

Maritime Dispute With Indonesia Viewed

SK1711065195 Seoul YONHAP in English 0616 GMT 17 Nov 95

[FBIS Transcribed Excerpt] Seoul, Nov. 17 (YONHAP) — [passage omitted] A maritime transport dispute is going on between South Korean and Indonesian shipping companies.

Chartered by Samsun Shipping Co., the ship "Pioneer" has been detained at an Indonesian port after having arrived seven days late on Sept. 20. An official of the Maritime and Port Administration (MPA) said that the vessel has been confined there since Sept. 27 since it has been unable to go through due formalities.

Almada Co. of Indonesia has seized shipping documents and crewmen's passports from the vessel, insisting that the ship's late arrival made it impossible to carry Almada's freight, MPA sources said Friday. The Indonesian Company had planned to use the ship to transport imported goods from China.

On Oct. 20, Almada filed a lawsuit against the South Korean shipping company to the Indonesian court, asking for 30.25 million U.S. dollars in compensation. The court accepted the suit as well as ordering the ship's detention on Nov. 1, the official noted.

Samsun countered by filing a complaint with the Chinese court and had the Indonesian company's freighter Almada Glory, which recently entered Shanghai Port, detained in China. Samsun argues that Almada's seizure of its ship and compensation demand are unjust.

A Samsun official asserted that the company has suffered a loss of 1 million dollars due to the row, citing figures of 600,000 dollars in charterages and 400,000 dollars in business losses.

Meanwhile, the MPA has requested that the Ministry of Foreign Affairs take steps to protect Pioneer, the official added. [passage omitted]

South, Indonesia Sign Pact on Coal Briquetting

SK1711104395 Seoul YONHAP in English 0516 GMT 17 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 17 (YONHAP) — South Korea and Indonesia signed an arrangement Friday to provide Indonesia with 580,000 U.S. dollars worth of services for a development study on coal briquetting technology, Foreign Ministry spokesman Chang Chol- kyun announced.

Seoul Ambassador to Indonesia Min Hyong-ki and Director General Kuntoro Mangkusobroto of Indonesia's Ministry of Mines and Energy signed the arrangement regarding "technical cooperation for the development study on coal briquetting technology", Chang said.

The Foreign Ministry expects that the understanding will pave the way for South Korean coal briquet manufacturers to make inroads into the Indonesian market in providing the island nation with Korean- type coal briquetting technology.

Daewoo To Set Up Steel Mill in Vietnam

SK1711141295 Seoul YONHAP in English 0833 GMT 17 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 17 (YONHAP) — Daewoo Corporation has decided to build a steel mill at 1 trillion won (1,302 million U.S. dollars) in Vietnam jointly with South Korea's Pohang Iron and Steel Corp. (Posco) and state-run Vietnam Steel Corp. (VSCO), a company spokesman said Friday.

The conglomerate's decision came after several months of negotiations with Posco and VSCO with Hanoi having requested to Daewoo to set up a joint-venture ironworks at the end of 1994, the spokesman explained.

The source added that Daewoo will send a team to the socialist country next month to make feasibility studies there in an effort to conclude the joint-investment contract, which is likely around mid- 1996.

Prior to Daewoo's decision, a nine-member Vietnamese delegation led by VSCO President Ho Nghia Dung visited South Korea last month to discuss the joint project and to inspect Posco and Kwangyang ironworks, the official noted.

The projected steel mill will begin construction around the end of next year in one of four places that Hanoi is recommending, including Da Nang and Vung Tau, the spokesman said.

Slated for completion in the year 2000, the ironworks will be capable of producing 2 million tons of irons annually with the finished products scheduled to be supplied to Korean companies in Vietnam as well as exported to Southeast Asian nations.

Police Arrest Dissidents for Alleged Spying

SK2011015995 Seoul KBS-1 Television Network in Korean 1200 GMT 17 Nov 95

[FBIS Translated Text] The Kyonggi Provincial Police Headquarters arrested today seven persons, including Cho Ku-kyong, 29, a working-level person in charge of the Intelligence Bureau of the Patriot League under the Middle Regional Party of the Workers Party of Korea, on charges of violating the National Security Law.

The police, which had arrested these persons in coordination with the Agency for National Security Planning, announced the following today: Since the early part of 1993 these seven persons, including Cho Kukyong, have ralled again the members of the Patriot League, which was dissolved in September 1992 after the arrest of its organization chief, and collected not only intelligence concerning the moves of key persons of political parties and dissident oppostion organizations by infiltrating into universities and religious and labor organizations in the metropolitan area, including Ansan and Puchon, but also military intelligence, including the activities of specified military units.

Kim Tae-chung Criticizes Kim Yong-sam

SK1811084195 Seoul YONHAP in English 0758 GMT 18 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 18 (YONHAP) — Kim Tae- chung, president of the main opposition National Congress for New Politics (NCNP), continued to harshly criticize President Kim Yong- sam Saturday, saying that President Kim Yong-sam a figure of old era who should be purged.

Delivering a speech to the inauguration ceremony of NCNP's Yongdungpo-B district chapter, he said, "The arrogant President Kim Yong-sam who received money from ex-President No Tae-u but denies the fact and who would not meet with chief of the opposition party is a figure of old era who should be purged."

He said, "Former President No began to receive money from entrepreneurs after the merger of the three parties, and so, President Kim who was then-No. 2 man of the ruling Democratic Liberal Party (DLP) after No should also take the responsibility."

Asserting that President Kim is framing a plot to politically kill him using the opportunity of No's slush fund scandal, the NCNP president said that he cannot tolerate the attitude.

Party Not To Reveal 1992 Election Funds

SK2011072695 Seoul YONHAP in English 0430 GMT 20 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 20 (YONHAP) — The ruling Democratic Liberal Party (DLP) has no plan yet to voluntarily reveal the details of its 1992 presidential election campaign fund or have President Kim Yong-sam make a statement to the nation on that issue before the prosecution completes its probe into the slush fund scandal involving former president No Tae-u.

DLP Chairman Kim Yun-hwan said Monday that his party cannot disclose the amount of his party's campaign funds voluntarily under the circumstance that former president No Tae-u has declined to reveal how much money he gave to the ruling party.

"No should open his mouth during the prosecution's investigation about how much funds, if any, were provided to the ruling party," Kim said.

Referring to President Kim's expected statement to the people on his alleged election campaign funds, the DLP chairman said, "Issuing the presidential statement carries little meaning due to the situation that the prosecution's investigation is still in progress."

Responding to the major opposition National Congress for New Politics' [NCNP] demand for disclosing campaign expenses, the DLP chairman countered, "NCNP President Kim Tae-chung should first disclose from whom and when he received 2 billion won." The NCNP president has confessed to having receiving the money from No during the presidential campaign period in 1992.

DLP Officials Meet To Discuss 'Political Turmoil'

SK1811104995 Seoul YONHAP in English 1022 GMT 18 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 18 (YONHAP) — Senior officials of the ruling camp secretly met Saturday to discuss ways to cope with the current political turmoil caused by ex-President No Tae-u's slush fund scandal and the funds for presidential election campaign of the ruling Democratic Liberal Party [DLP] in 1992, a dependable source said.

Prime Minister Yi Hong-ku invited DLP Chairman Rep. Kim Yun-hwan and chief Presidential Secretary Han Sung-su to the meeting, the source said.

No's Silence Over Campaign Funds Analyzed

SK1911043895 Seoul THE KOREA HERALD in English 19 Nov 95 p 2

[Article by "CNH": "No's Silence May Spell Protracted Party Conflicts Over Presidential Campaign Funds"]

[FBIS Transcribed Text] When former President No Tae-u was arrested on bribery charges last week, he uttered enigmatic remarks that may have disappointed the ruling party, but relieved the main opposition party of its worries.

Coming out of a prosecutor's office to be sent to a detention house on the outskirts of Seoul Thursday, No said to reporters, "I have a word for you politicians. I am going away, shouldering all of your mistrust and conflicts.

"I hope you will clear away your distrust and feuding and establish a new political culture through compromise, mutual understanding and cooperation for our successors," he said.

When he made these remarks, No may have wanted to tell President Kim Yong-sam and opposition leader Kim Tae-chung that he did not say anything to the prosecution about contributions he allegedly made to their election campaign funds back in 1992.

No's refusal to talk about his contributions may spell a protracted conflict between the rival parties over how much money their leaders received from the disgraced former president.

Kim Tae-chung, president of the main opposition National Congress for New Politics, admitted earlier that he received 2 billion won from No, one of his sworn enemies.

He has been cornered since that confession because No was one of the former Army generals Kim held responsible for the 1980 bloody suppression of a pro-democracy movement in his power base.

Under these circumstances, the ruling party, headed by President Kim, may have wished that No would deal a coup de grace to Kim Tae- chung by telling the prosecution that he gave Kim more than 2 billion won.

To the relief of opposition leader Kim Tae-chung, No did not mention his contribution to Kim's campaign fund at all.

Nor did he talk about whether or not he gave money to Kim Yong- sam when he was running for the presidency on the ruling party's ticket.

Earlier this month, President Kim said he did not receive even a penny from former President No when he was the No. 2 man in the ruling party and the party's presidential nominee. He said No gave money directly to the party as party president.

President Kim said his relations with No soured over his presidential nomination in May 1992.

In October 1992, two months before the presidential election, No resigned as president of the ruling party, left the party and launched a neutral cabinet ostensibly for the fair management of the election.

Reiterating that he did not receive any money directly from No, President Kim said No would not have left the party if he had wanted him to be elected president.

But his remarks fell short of clearing up public suspicion that No may have contributed to his campaign fund in one way or another.

Now, senior officeholders of the ruling party are hinting that No may have given a huge sum of money to Kim through an intermediary even after he disassociated himself from the ruling party.

Rep. Kim Yun-hwan, chairman of the ruling party, said, "Former President No may have supported the party through a third person after he left the party though he would not have given money directly to President Kim for his campaign."

An unidentified official of the ruling party told the vernacular HANGYORE SINMUN newspaper that he assumed No gave money to Kim through one of Kim's proteges after he left the party.

The unidentified official said No spent 100 billion won on party operation after his party merged with two opposition parties, one led by President Kim and the other by opposition leader Kim Chong- pil, in 1990.

Another senior official of the ruling party, who waged an all-out war to attack opposition leader Kim Tae-chung over his moral lapse of accepting money from No, also hinted that part of No's slush fund may have found its way into the party's coffer.

Rep. Kang Sam-chae, secretary-general of the ruling party, who demanded earlier that opposition leader Kim Tae-chung retire from politics, claimed No's alleged contribution to the party would not damage President Kim's morality.

"President Kim would not be morally hurt if he did not receive money directly from No after he (No) left the party," Kang said. "The party should be held responsible if No's money was funneled into the party's coffer."

How much money President Kim and opposition leader Kim Tae-chung received is not the only issue of contention between the ruling and the main opposition party.

Another major issue of contention is how much the political leaders spent on their election campaigns in 1992.

Opposition leader Kim Tae-chung, who claimed earlier that President Kim spent 1 trillion won, is demanding President Kim disclose his campaign fund.

After the election, President Kim reported he spent 28.48 billion won, well below the legal limit of 36.7 billion won. On the other hand, opposition leader Kim Tae-chung reported 20.7 billion won to the Central Election Management Committee.

On this issue, one interesting comment came from Rep. Kim Yun- hwan, chairman of the ruling party.

The No. 2 man in the ruling party said, "No one would believe claims by both ruling and opposition parties that during the presidential election, they spent only the amounts of money they reported to the Central Election Management Committee."

The main opposition National Congress for New Politics has yet to confirm whether or not they spent more money than it reported to the election watchdog.

German Firm Allegedly Gave No Kickbacks

SK1811032295 Seoul YONHAP in English 0140 GMT 18 Nov 95

["German Company Offered Huge Kickbacks to No for Train Project" — YONHAP headline]

[FBIS Transcribed Text] Berlin, Nov. 17 (YONHAP) — Rumors are rampant in German business circles that an allegedly bogus German company gave 50 million U.S.

dollars in bribes to former President No Tae-u in an attempt to win the Seoul-Pusan high speed train project in 1992, the German economic daily HANDESBLADT [name as received] reported on Friday.

The rumors had it that a company operating under the Bundesnachrichtendienst, a German federal information agency, handed the reported amount to a high-ranking South Korean Government official at the time when Germany, France and Japan were aggressively bidding to land a contract for the grand project, which France's TGV eventually won, the financial periodical said.

It added that the Daewoo Business Group is known to have played an intermediary role in accepting the payoff, but it is uncertain whether the slush money had been delivered to ex-President No.

Handelsbladt quoted German business sources as saying that they believe their country's bid failed since TGV had actively utilized a lobbyist close to No's family during the bidding process.

Prosecution To Question Former Aide on Funds

SK2011111495 Seoul YONHAP in English
1026 GMT 20 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 20 (YONHAP) — One-time senior Chongwadae [presidential offices] Secretary Kim Chong-in is to be questioned by the prosecution Tuesday [21 November] in connection with the No fund scandal.

A source at Central Investigation Department of the Prosecutor General's Office said Monday some of the 36 leading businessmen questioned so far indicated that they had given hundreds of million won to former president No Tae-u by way of Kim Chong-in.

Kim, No's senior secretary for economic affairs, drew a suspended sentence of two and half a years' imprisonment in 1993 for receiving 210 billion won in a bribe from the Donghwa Bank president.

The source said, however, Kim will be questioned not as a suspect but as a reference.

Meanwhile, the prosecution questioned former President No Tae-u at the Seoul prison to find out details about his possible provision of a large election fund to the ruling Democratic Liberal Party in the previous presidential election.

The same source said No refused to say any about the election fund, contending he is not in a position to discuss the election fund issue.

Dailies on Former President No's Detention

SK1711130495

[FBIS Editorial Report] The following is a compilation of editorials from ROK vernacular newspaper published on 17 November commenting on the detention of former ROK President No Tae-u on bribery charges.

Conservative CHOSON ILBO carries on page 3 a 1,000-word editorial entitled "No's Detention." The editorial states that the detention of former ROK President No Tae-u is a national infamy and the retrogression of history, however, the incident has proven the ROK's sound judgment and courage. It states: "What we should do in concerted efforts is to expel the custom that makes politicians licensed thieves." The editorial also condemns incumbent politicians who are slandering each other at such a time.

Moderate TONG-A ILBO carries on page 3 a 1,000-word editorial entitled "The Detention of Former President No." The editorial states that the detention of a former president for the first time in the ROK's history "is not only No's personal shame but a national shame for the ROK." The editorial attributes the "tragedy" to the military leaders' "immorality" with which the objective justifies the means, as shown in the 12 December and 18 May incidents. Asserting that constitutionalism is the basis of democracy, the editorial states that No's detention was inevitable to prove that everyone is equal in the eyes of the law.

Moderate CHUNGANG ILBO carries on page 4 an 800-word editorial entitled "What No's Detention Means." The editorial assesses the positive aspects of the incident, stating: "The fact that the ROK is able to send a former president to court is in itself very significant." The editorial hopes that, taking this opportunity, the country will develop a system to prevent abuse of power by a president. The editorial concludes that the incident may become a "valuable gain" in terms of "overcoming corruption, improving power management, and solidifying constitutionalism."

Moderate HANGUK ILBO carries on page 3 a 1,500-word editorial entitled "The Detention of Former President No." The editorial analyzes the incident as a result of prolonged corruption of previous rulers, and deplores that not a single ROK president had had an honorable end. The editorial denounces No Tae-u's arguments following the disclosure of his political funds, including such expressions as "the governing funds," "donation," and his remarks that "the prosecution should not try to please the media," and that he was carrying with him "all the frictions and distrust in politicians." The editorial asserts that No should disclose all details of his political funds, including the 1992 presidential election funds, if he truly wishes for the politicians to reconcile. The editorial also demands the ruling and opposition circles voluntarily disclose the details of the 1992 election funds.

Pro-government SEOUL SINMUN carries on page 1 a 1,200-word editorial entitled "An Opportunity To End the Old Era." The editorial praises the new government's "real name financial system, real name real estate system, and the legislation of political reform," which made possible the arrest of a former president. The editorial demands the dissociation between political and business circles, the political generation shift, and an end to regionalism.

Left-leaning HANGYORE SINMUN carries on page 3 a 1,500-word entitled "Thorough Liquidation of the Past." The editorial condemns the "food chain of bribery" in both political and business circles, and states that "this is the reality after two-and-a-half years of reform." The editorial continues that true reform demands President Kim Yong-sam disclose his own defects. However, the editorial positively appraises the reality in which former presidents' wrongdoings can be indicted. The editorial criticizes the Democratic Liberal Party and the National Congress for New Politics for slandering the past of each other's leaders. The editorial also criticizes the media for "barking only but not biting," and raises the possibility of the media receiving bribes from companies. The editorial concludes that the indictment of No Tae-u "should include his involvement in the 18 May massacre" to achieve a thorough liquidation of the past.

NCNP To Continue Pressuring Kim Yong-sam

SK2011044395 Seoul YONHAP in English 0303 GMT 20 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 20 (YONHAP) — The major opposition National Congress for New Politics (NCNP) decided Monday to continue its struggle against the ruling camp, maintaining its demand that President Kim Yong-sam reveal how much money he received from his predecessor No Tae-u in campaign funds for his presidential bid in 1992.

Having decided at its guidance committee meeting Monday morning, the NCNP concluded that the ruling camp's move to have the president speak to the people without mentioning the allegation that he accepted campaign funds from No was designed merely to temporarily hold off public anger about the charge.

NCNP spokesman Rep. Pak Chi-won said, "If and when President Kim Yong-sam tries to patch up the political fallout from the No case by issuing a statement to the people, we will energetically push ahead with campaigns to have him disclose the presidential election campaign funds he received from No and to open a parliamentary hearing on wrongdoings perpetrated under the Sixth Republic."

To that end, the opposition party is set to hold an emergency central committee meeting Thursday, at which, Pak said, "a strong warning will be adopted against moves to conceal the truth about the slush fund scandal and to evade the point of its political fallout by calling for a medium or large-sized electoral district system."

The legislation of a special law aimed at indicting those responsible for the bloody suppression of the 1980 Kwangju uprising and the introduction of a special prosecutor system will also be urged at the meeting, Pak added.

The NCNP also plans to carry on its semi out-of-parliament struggle and will urge the disclosure of the chief executive's alleged 1992 campaign funds in a series of district chapter inauguration rallies.

Among other party leaders, Kim Tae-chung, president of the NCNP, is expected to speak at his party's district chapter inauguration rallies for the Sosa district in Puchon city Tuesday, Nam-A district in Inchon city Wednesday, and Tongjak-A district in Seoul Saturday.

Kim Hyon-chol Files Suit Against Spokesman

SK2011075595 Seoul YONHAP in English 0645 GMT 20 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 20 (YONHAP) — Kim Hyon-chol, the second son of the president, filed a complaint Monday with the Seoul district prosecution against Rep. Pak Chi-won, spokesman for the major opposition National Congress for New Politics (NCNP) for libel.

In the complaint, Kim asserted as groundless Pak's allegation, made in a press briefing at the NCNP head office last Wednesday, that "our party members are now investigating a piece of information provided to us that Kim Hyon-chol is involved in a graft case involving Pohang Iron and Steel Co., Ltd."

Speaking at a briefing session last Friday about NCNP Rep. Chang Yong-tal's remarks on the floor the previous day, Kim insisted as being false Pak's claim that his party "has received specific information about the functions of a certain Pak, property manager on behalf of Kim Hyon-chol," and that Pak had understood "that a number of checks have been made including the confirmation of Pak's transcripts of real estate registers."

Kim maintained that he has never been involved in affairs related to the business of Pohang Iron and Steel Co., nor has he been in a position to do so. He added, "The complainant has no property manager named Pak, nor has he sufficient property to hire a property manager."

Ministry Opposes Lawmakers' Laundering Moves

SK1911062895 Seoul THE KOREA TIMES in English 19 Nov 95 p 9

[FBIS Transcribed Text] Policymakers are opposing a move to make laundering money a criminal act.

Ministry of Finance and Economy officials said they are not in accord with the move by legislators to enact the anti-money laundering act, which policymakers say will restrain the free flow of money in the financial market.

But many lawmakers have aired the view that it is necessary for Korea to legislate to enable the tax office to get information from banks about those depositing significant amounts of cash and to take criminal action against those involved in money laundering, although even under the current system, the tax office is able to get a full picture of money flow for individuals and companies.

The ministry said the proposed money laundering bill will not be effective here because unlike the United States, the personal check system is not well developed in Korea. In the United States banks are required, under law, to inform the tax office of the names of those depositing more than 10,000 dollars in cash.

Policymakers said the anti-money laundering bill will not work here as the majority of Koreans favor cash over checks. As well, even under the current rule and practice, the government is able to check any move to launder the dirty money, they said.

Prosecutors are able to take criminal action against those involved in money laundering by charging them with violations of the real-name financial transaction decree.

Furthermore, financial regulators are able to ask banks to fire employees when they are found to have laundered money, policymakers said. Despite this initial skepticism about the introduction of the anti-money laundering bill, the public is disillusioned with the way bankers, including Sinhan Bank executives, corporate executives and politicians have laundered their money that the No slush fund scandal has brought to light.

Former Aide to No Tae-u To Reveal 'Truth'

SK1811024795 Seoul YONHAP in English 0059 GMT 18 Nov 95

[FBIS Transcribed Text] Washington, Nov. 17 (YONHAP) — Ambassador to the United States Pak Kun-u said Friday that his embassy does not know the whereabouts of Kim Chong-hwi, former senior presidential secretary for Foreign and National Security Affairs, currently hiding in the U.S. for his suspicious role in the Yulgok arms purchase project under the sixth republic.

Pak said, "If requested by the prosecution, we'll find out his whereabouts and advise him to return home, [no quotation mark as received] adding, "as Kim has held an interview with a Korean daily, it shouldn't be difficult to locate where he lives."

If and when legal steps are needed with regard to Kim, the envoy said, the embassy could discuss the matter with Washington authorities and try to find out his whereabouts through his friends.

An embassy official said that no instruction has yet been given by the home government to search for the suspect in the Yulgok project scandal.

Kim applied for permanent residency status in America last year but withdrew the application thereafter, continuing to stay in the country on a work visa. Having moved away from the West Coast, he is reportedly living in Philadelphia now.

In an interview with the HANGYORE SINMUN Thursday, Kim said he would return home around the end of this month.

Explaining his reason for going back to Korea, the former public servant was quoted as telling the daily, "The allegation is untrue that former President No Tae-u amassed an enormous amount of funds through the Yulgok arms procurement project," while declaring, "as a former presidential secretary responsible for the project, I intend to reveal the truth about the case."

"I swear that I have not received even a penny in illicit money in connection with the Yulgok project," Kim added, "I also suggested to President No that he refrain from meeting officials of American defense firms, which he did anyway."

On the allegation that he received 50 million won from Daewoo Group Chairman Kim U-chung, Kim reportedly claimed that the business tycoon, an alumnus of a same high school, handed the money to him for use in running an office after his retirement. The gift had nothing to do with favoritism involving state projects, Kim insisted.

Correction to Government Rice Purchase Reduction

SK1811024995 Seoul THE KOREA TIMES in English 18 Nov 95 p 8

[Corrected version of SK1811015395; explanatory note describes difference from initial FBIS version]

[FBIS Transcribed Text] Farmers will be able to sell 1.4 million sok of rice harvested this fall to the public bodies at market prices, let alone [in addition to] the 9.6 million sok to the government at last year buying prices. [deleting editorial notation, adding new editorial notation] One sok equals 144 kilograms.

The Agriculture, Forestry and Fisheries Ministry said yesterday that the National Agricultural Cooperative Federation (NACF) will buy 1 million sok and the Rice Processing Center (RPC) 400,000 sok.

To alleviate financial burden of the two farmers bodies, the government has decided to pay 300 billion won (about 375 million dollars) it has owed to the NACF on farm fertilizer account.

A ministry official explained that it was impossible to raise the price of rice and increase the purchasing volume due to a World Trade Organization (WTO) agreement on subsidy reduction.

Under this agreement, the government is to lower the state subsidy to the rice farming households by 75 billion won (some 94 million dollars) annually until the year 2004.

By then the subsidy will be at the level of 2.34 trillion won (some 3.0 billion dollars).

The market price for one 80-kg bag is now about 130,000 won.

"The ministry's decision for the additional rice purchase does not pose a problem in connection with WTO rules as it is conducted in accordance with the principle of market economy," a ministry official said.

He said the decision will help invigorate the free marketing of rice and solve the chronic problems of the government rice purchase system.

He added that the administration will go ahead with plans aimed at strengthening the competitiveness of farming households by pushing ahead with the plan of restructuring farming village methods.

But the decision has brought criticism as it was largely interpreted to have stemmed from "political" needs, rather than economic ones.

A critic said that the plan seemed to be mapped out to buy votes in the rural areas especially in the context of the upcoming Assembly elections slated for early next year.

This was well seen in the fact that the ruling Democratic Liberal Party came [up] with the purchasing plan before the administration did.

"The administration's decision seems to be designed to placate farmer dissatisfaction," the critic said, citing the fact that some of major farmers' organizations were planning a massive rally in Seoul protesting the original government rice buying plan.

Rice Output Slips to Lowest Level in 10 Years

SK2011101895 Seoul YONHAP in English 0818 GMT 20 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 20 (YONHAP) — Rice production this year registered a record low in 10 years with 32,600,000 soms (one som equals 144 kilograms), the agriculture, forestry and fisheries reported Monday [as received].

This year's crop was 2,530,000 soms less than last year's and a decrease of 450,000 soms from the previous forecast made last September.

With the reduction in output, the government's stocks of rice at the end of October stood at 4,720,000 soms compared with the original estimate of 5,870,000 soms, according to the ministry's provisional tally. Rice stocks in 1996 will drop 40 percent to 2,780,000 soms, it forecast.

The rice yield reached its highest level in 1988 with 42 million soms, but has gradually declined since to 35,130,000 soms last year.

Reduced farm land for rice cultivation, heavy damages from the flood last summer, and bad weather during the ripening period were listed as reasons for the poor harvest this year, a ministry official explained.

Seoul Buys 8.6% Less Rice at Subsidized Price

SK1811022795 Seoul THE KOREA HERALD in English 18 Nov 95 p 8

[FBIS Transcribed Text] The government will reduce the 1995 rice purchase from farmers by 8.6 percent to abide by the WTO (World Trade Organization) agreement in reducing subsidies. But the farmers will be able to sell their rice through private channels, government grain officials said yesterday.

The Ministry of Agriculture, Forestry and Fisheries finalized this year's government purchase amount at 9.6 million sok (1.38 million tons) yesterday. The ministry's plan is due for deliberation in the National Assembly next week.

The amount is 8.6 percent less than the 1994 government purchase amount of 10.5 million sok (1.51 million tons) the government bought last year. One sok is equivalent to 144 kg.

Grain officials also said they will freeze the government purchase price at last year's levels. For an 80-kg bag of the top- grade japonica variety, the government purchase price will be about 132,800 won ($172).

The 1995 rice purchase price and quantity were determined by Korea's commitment to phase out direct subsidy to rice farmers. The WTO agreement does not dictate the amount or the price of government rice purchase. Rather, it mandates Korea to cut rice subsidy in financial terms, by 750 billion ($97.7 million) every year through 2004.

In this first year of the WTO, Korea is hence obligated to limit its rice subsidy to 2 trillion won down from last year's aid amount of about 2 trillion won.

In addition to 9.6 million sok (1.38 million tons) to be sold to the government, farmers will be allowed to sell an additional 1.4 million sok (201,600 tons) to two private groups, the National Agricultural Cooperatives Federation (NACF) and to the Rice Processing Center (RPC).

"Purchases by the private sector is not in violation of the WTO agreement, which seeks to slash government's direct subsidy," explained a grain official.

The NACF and RPC will buy the rice at market prices, which is slightly less than the government purchase price.

The ministry's finalized purchase plan comes after repeated demand from farmers for a 10-percent hike in purchase price over the past few weeks. The ministry is basing its figures on recommendations by the independent Grain Management Committee.

Remaining Interest Rate Controls To Be Removed

SK1711141395 Seoul THE KOREA TIMES in English 17 Nov 95 p 9

[Report by staff reporter Yi Chang-sop]

[FBIS Transcribed Text] From Monday, the nation's remaining interest rate controls will be completely removed, except for demand deposits and loans from the government, the Ministry of Finance and Economy and the Bank of Korea announced yesterday.

To be deregulated next week are time deposits with a maturity of less than six months and installment savings maturing in less than one year at all financial institutions.

Financial institutions will be given more freedom in selling such short-term financial instruments like certificates of deposit (CDs), repurchase agreements (RPs), commercial papers (CPs), bankers acceptances (BA) and Commercial Bills as the minimum denominations will be lowered to 100 million won from the current 200 million won, the ministry said.

The minimum face value of "intermediate bills," which are handled by investment and finance companies, will also fall to 10 million won, down from the current 30 million won limit. The face value of the "cover bills," which are available at banks, investment finance companies, merchant banks and mutual savings and finance companies, will be lowered to five million won from the current 10 million won, it said.

The latest liberalization measures will raise the interest rate liberalization ratio for deposits and loans to 83.2 percent and 98.2 percent, respectively.

It took 10-12 years for the United States and Japan to complete the interest rate deregulation. Although Korea started the rate liberalization late, it has virtually set free all rate controls in just four years, government officials said.

It said the government is completing the previously announced third-stage of the rate liberalization one year ahead of the original deadline.

It said after 1997, the government will consider scrapping rate controls on demand deposits, whose maturity hovers around three months, and removing the remaining controls on maturity and minimum denomination of short-term money market instruments such as CDs and CPs.

A Ministry of Finance and Economy official said that, out of 477 trillion won in financial assets, only 80 trillion won in demand deposits will be subject to interest rate controls.

The government said it is accelerating rate decontrol as interest rates are on a stable path in the face of a "lower-than-expected" inflation rate.

Consumer prices rose 4.4 percent for the first 10 months of this year, compared with 6.2 percent last year. Bank-guaranteed corporate bonds, which are regarded as the benchmark for money market rates, were traded at 12.17 percent in October, down from the 15.06 percent in the first quarter. The M2 total money supply is growing below the yearly target of 16 percent, at 13.8 percent despite the 9 percent economic growth rate.

Now the big question, according to the International Monetary Fund and many Western bankers, is why there are so few changes in interest rates in the wake of deregulation. The word out is that regulators "officially" scrapped most interest rate controls; but some hold it is almost impossible for bankers to set rates without prior and informal consultation with the government and the Bank of Korea.

But Kim Yong-sop, assistant finance and economy minister in charge of financial affairs at the Ministry of Finance and Economy, flatly denied the government's alleged covert manipulation of liberalized rates. He said the government would not intervene to control the already liberalized rates under any circumstances. Government officials said that, despite rate liberalization, bankers are slow to adapt to the new situation because they have not yet developed sophisticated techniques for forecasting market trends. Furthermore, critics argue, banks, long burdened with a large amount of troubled assets, are unable to cut lending rates and raise deposit rates aggressively.

Also, rate deregulation is being sped up in preparation of the nation's plan to join the Organization for Economic Cooperation and Development, possibly next year. The rate liberalization comes just before the imminent Cabinet reshuffle in which Deputy Premier and Finance and Economy Minister Hong Chae-hyong is to step down to run for the National Assembly election in April.

New Bureau Set Up for Interagency Coordination

SK1811030495 Seoul THE KOREA HERALD in English 18 Nov 95 p 8

[FBIS Transcribed Text] The government will set up a bureau exclusively responsible for the interagency coordination of external trade affairs under the direct control of the vice finance and economy minister.

The proposed bureau will be headed by a director-general from either Grade-2 or G-3 officials, under the title of International Cooperation Officer, and consists of 10 staff members — one director, five deputy directors and four other employees — ministry officials said.

Two of the deputy director positions will be filled from civilians, one international lawyer and one foreign law expert. In addition, the ministry plans to ask for the dispatch of two directors and two deputy directors to such trade-related agencies as the Foreign Ministry, Trade, Industry and Energy Ministry and Agriculture, Forestry and Fisheries Ministry.

Besides dealing with pending trade issues, the bureau will focus on spotting potential trade problems beforehand and coordinating conflicting views among different trade-related agencies within the government, the officials said.

The new office is aimed at concentrating the currently dispersed trade-negotiating administration on a center, so as to effectively cope with trade pressure from the United States and Europe, and the launch of the World Trade Organization, one official said.

Under other organizational changes of the ministry, the Foreign Investment Division will be renamed as the International Investment Division.

It also will change the titles of director generals at the Budget Office and Tax Office in such a way as to better illustrate their administrative turfs. For instance, the Budget Office will have three director generals; social-education councilor, economy- development councilor and administration-defense councilor. The Finance Office will also have three director generals, two of which will be a banking-insurance councilor and an international finance councilor, respectively, with the other one handling overall finance matters.

Under their present titles bearing only serial numbers, even the government employees of other ministries, not to mention the general public, have had difficulties in understanding these bureaus' administrative domains, the ministry officials said.

Burma

Thai Foreign Minister, Delegation Depart Rangoon

BK1411072795 Rangoon TV Myanmar Network in Burmese 1330 GMT 13 Nov 95

[FBIS Translated Text] Thai Foreign Minister Mr. Kasemsamosan Kasemsi and his delegation departed Yangon [Rangoon] by air this evening after paying a goodwill visit to the Union of Myanmar [Burma] at the invitation of Foreign Minister U Ohn Gyaw.

The Thai delegation was seen off at Yangon International Airport by Foreign Minister U Ohn Gyaw and responsible personnel.

Suu Kyi on Rangoon's Duty To Suppress Drugs

BK1911102795 (Internet) BurmaNet News in English 18 Nov 95

[Unattributed Report dated November 13: "Five Buddhist Precepts Necessary For Democracy: Suu Kyi Says"]

[FBIS Transcribed Text] Burmese opposition leader Daw Aung San Suu Kyi has said that the five precepts of Buddhism are a prerequisite for the people to prepare for a democratic state.

Speaking at her weekly public appearance Saturday [11 November] evening, she said the precepts which Burmese Buddhists usually observe for religious merit were also significant for political purposes. She gave a political interpretation of those precepts.

The precepts or commandments require a man to abstain from five specific acts: killing or taking the life of any living being, stealing or theft, telling lies, committing sexual crimes and taking alcoholic drinks.

The opposition leader appeared before an audience of about 3,000 people, including monks and a sprinkling of foreign tourists and journalists.

Speaking about the first precept — thou shalt not kill — she said killing of man by man is prohibited in all democratic countries.

Some democracies had even banned killing of persons through a judicial process, such as executing a person to punish him for the crime or crimes he has committed.

But not only killing by physical means but also killing by non-material means — such as killing a conscientious movement of the people through psychological pressure — amounted to a breach of this precept, Suu Kyi asserted.

On stealing, the opposition leader said that taking anything not voluntarily given by the owner amounted to an act of stealing or theft. In a democracy, she said, the real owners of political power were the people. "Have not you read statements to this effect in newspapers countless times?" she asked amid laughter.

This power, she said, was temporarily entrusted to a group in a democratic system, and the group was charged with exercising power for the benefit of the entire people.

If it failed to do so either through incapacity or for any other reason, the group had to return the power to the original owners, the people, said Suu Kyi.

If the people's political power was taken away without their consent, that amounted to stealing and a breach of the second Buddhist precept, she said, drawing hearty cheers from the audience.

On the third precept, regarding adultery, Suu Kyi said this commandment could be extended to cover the case of young Burmese women being used as prostitutes in a neighbouring country.

It was the government's duty not only to suppress sexual crimes among the people but also to protect the young women of the country from becoming victims of the illegal sex trade, she said.

The fourth precept, regarding lying, was particularly relevant in a democracy, she said, because of the democratic right of freedom of speech. This right was not meant to allow anyone to tell lies or deceive others freely, the opposition leader warned.

This precept also covered pledges made by a government, because if pledges were not honoured, they amounted to lies, she said (to the applause of the crowd).

Closing, Suu Kyi added that the fifth precept, dealing with drinking, covered not only alcoholic drinks but also varieties of narcotics.

It was the government's duty to suppress narcotics production and trade in the interest of the people, said Suu Kyi. It also ought to ensure that no-one could get rich quickly through narcotics trafficking.

If a government could not satisfactorily stop the drugs trade, it could be said to have broken the fifth precept, she said.

Suu Kyi urged her audience to begin observing the five precepts immediately to prepare for what she termed the virtuous life of a democratic society in the future.

Brunei, Malaysia & Singapore

Malaysia

Daily Wants Clinton To 'Respect' Others' Views

BK2011100395 Kuala Lumpur BERITA HARIAN in Malay 20 Nov 95

[Editorial: "Small Countries Can Manage Themselves" — received via Internet]

[FBIS Translated Text] Leaders of 18 APEC [Asia-Pacific Economic Cooperation] countries began their informal summit without U.S. President Bill Clinton at the Osaka Guest House yesterday. Clinton was unlucky because his country is facing a serious budget problem. We accept his reasons for not attending the forum. We accept his reasons for giving priority to himself. Similarly, we want him to respect the views of other countries for the sake of their respective economic interests. Clinton must accept the fact that the United States, though a superpower, cannot be spared economic problems.

We sympathize with the United States over the worsening situation. Accordingly, Clinton should also be sympathetic to other countries concerned about their respective economic progress. Developing or poor countries have been worried about economic threats by big powers. It should not be said that developing or small countries cannot wisely manage their respective economies. As a matter of fact, such countries are more cautious in managing their economies because they are aware that an economic crisis could cause an adverse impact. Not only must they think of their own capabilities, but they are also often worried about the maneuvering of big powers. There is a lesson to this. They think about what may happen to powerless countries because even a big power can have an economic problem. In fact, the United States can no longer escape its own economic problems. Had a developing country, which was once a colony, faced an economic problem, the country's leader would have certainly been accused of mismanaging the country.

Malaysia has often presented its views on the world economic situation, and has expressed doubts about the influence of big powers. In many cases, Malaysia's views have not been taken seriously. Even APEC members themselves have taken Malaysia's initiatives for granted. Everything is clear now. The U.S. crisis has accidentally strengthened Malaysia's arguments, notably among APEC members. For example, Malaysia believes that it is not necessary to set a time frame for free trade. Countries should be given the freedom to opt for free trade or not. The setting of time frames — 2010 for developed countries and 2020 for developing countries — will only provide an edge to developed countries. If developing countries are not ready to compete yet, they will be simply swallowed by developed countries. On the other hand, whether or not any time frame is set will have no impact on developed countries. A small country is, of course, unable to compete with a big power. Prime Minister Datuk Sri Dr. Mahathir Mohamed stated yesterday that it would be difficult for a dwarf to compete with a giant. A giant or big country can, of course, easily manipulate a dwarf or a small country. What a dwarf does may not be directly felt by giants, but if a dwarf is pinched by a giant, the dwarf will be, of course, sent rolling. Even his voice will hardly be heard.

We are, of course, pleased to know that many countries have recognized Malaysia's complaints over the unfairness of big powers. Unfortunately, we do not understand why some parties have cynically accepted Malaysia's views. They use the term "can-doism" to belittle Malaysia's prestige and its views on the international scene. In our opinion, they can apply any term. This is possible because they do not want to feel humiliated for having to bow to the views of a country smaller than theirs. They do not want their egoism and superiority undermined. What we do is purely for the sake of us all, and we have no intention of showing off. Our advice is not to unnecessarily emulate the United States which has often considered itself a world champion. It would be better to admit your mistakes now rather than regret them in the future.

Mahathir Leaves for APEC Summit in Osaka

BK1711132495 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 17 Nov 95

[FBIS Translated Text] Malaysian Prime Minister Datuk Sri Dr. Mahathir Mohamed left for Osaka this afternoon to attend an informal APEC [Asia-Pacific Economic Cooperation] summit. Dr. Mahathir is accompanied by his wife, Datin Sri Dr. Siti Hasmah Mohamed Ali. Deputy Prime Minister Datuk Sri Anwar Ibrahim, several ministers, and deputy ministers were at the airport to bid farewell to the prime minister. Also present was Japanese Ambassador to Malaysia Issei Nomura.

Dr. Mahathir is scheduled to arrive in Osaka tonight. He will be among the leaders of 18 APEC member countries to attend the third informal summit on Sunday.

Singapore

Clinton Absence From APEC Summit Downplayed

BK1711135795 Singapore BUSINESS TIMES in English 17 Nov 95 p 5

["APEC Insight" by Yang Razali Kassim: "Summit Sans Clinton Will not be a Flop"]

[FBIS Transcribed Text] US President Bill Clinton's decision to cancel his trip to Osaka for Sunday's Apec [Asia-Pacific Economic Cooperation] summit has dealt an unwelcome, perhaps even embarrassing, blow to the Asia-Pacific Economic Cooperation forum. But the other Asia-Pacific leaders are likely to close ranks, if only to ensure that the summit does not flop and Apec's drive to tear down all barriers to trade and investment by 2020 is not reversed.

The pressure will now be on Japan's Prime Minister Tomiichi Murayama to show stronger leadership in the absence of Mr Clinton. Tokyo will also have to play a more neutral role. It has to accommodate the disparate pulls of the 18 Apec members and suppress its own protectionistic instincts, which have affected the smooth agreement for a free trade Action Agenda.

But there are signs that Japan is coming around to living up to its leadership role, and that many Apec members, not wanting to see the summit fail, are playing their part by being more willing to compromise.

The most important clue to this was the sudden turnaround by Apec ministers yesterday to adopt an Action Agenda 45 minutes ahead of schedule. But the document appears to paper over several disagreements in order to be acceptable to all. The Action Agenda will now be forwarded to the Apec leaders' summit for their consideration on Sunday.

"Over the last few months, the media has been speculating about the likelihood that this important meeting will end up a failure. I am glad that the Action Agenda firmly and decisively proves them wrong," said Singapore's Trade and Industry Minister Yeo Cheow Tong at the Apec ministers' meeting yesterday.

Mr Yeo later explained that all outstanding issues had been resolved. "What we have now is an Action Agenda which is both balanced and comprehensive and which will be useful to guide Apec into the future."

Australia's Foreign Minister Gareth Evans expressed the same upbeat sentiment at a press conference.

More importantly, China, in its own briefing, said it had compromised with the US and had accepted the language that refers to the principle of non-discrimination in trade.

The principle of non-discrimination has been one of the most contentious issues between China and the US and had threatened to derail the Osaka summit.

Even Malaysia, which has been most critical of an Apec whose pace is set by the developed economies, also expressed satisfaction with the Action Agenda. "Malaysia has agreed with the Agenda because the emphasis that we made on issues such as flexibility and voluntarism in the commitments have been included," Trade and Industry Minister Rafidah Aziz told the Malaysian press.

She claimed some credit for the way the Action Agenda has turned out because Kuala Lumpur, she said, had been emphasising the need for pragmatism in pushing for Apec free trade.

Given the improving atmosphere on the free trade agenda, Japanese and Singapore ministers played down the unfavourable fall-out from Mr Clinton's absence, forced by US domestic politics.

Mr Yeo said the US leader's inability to make it for the summit would not affect the outcome of the Osaka meeting.

It was Mr Clinton who pushed forward a sluggishly moving Apec in 1993 by calling for the first-ever informal summit of Asia-Pacific leaders in Seattle. Although he failed to persuade Malaysia's Prime Minister Mahathir Mohamed to come, his Seattle initiative helped boost his image.

Mr Clinton also played an important backup role the following year when Indonesia's President Suharto decided to sustain the new momentum by hosting a second Apec summit in Bogor.

Prime Minister Murayama now has little choice. If he does not put up a good show, he will be written off as the Apec leader who became a spoiler. But in the absence of Mr Clinton, Mr Murayama can take comfort in the presence of another Apec stalwart — Mr Suharto, whose leadership last year paved the way for the Osaka summit.

Cambodia

Assassination Attempt Against Hun Sen Alleged

BK1911135495 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 19 Nov 95

[FBIS Translated Text] This morning at 1100 His Excellency Information Minister Ieng Muli held a news conference on the assassination attempt against

Samdech Hun Sen, second prime minister of the Royal Government of Cambodia.

Attending the event were leading officials from ministries and local and foreign media, including television crews, journalists, photographers, and news agencies. Ieng Muli clarified the assassination attempt saying that after further investigation and with the evidence that was uncovered, competent authorities are now compiling a file on Prince Kromkhun Sirivut. These authorities have sufficient measure to deal with the prince's safety.

Ieng Muli added that this file would be submitted to the National Assembly's Standing Committee for debate on 20 November 1995. It is strongly believed that the National Assembly will debate this issue on Tuesday 21st November 1995.

Finally Ieng Muli answered questions from local and foreign media concerning this assassination attempt.

Access To Hun Sen's House Blocked

BK1711170095 Hong Kong AFP in English
1654 GMT 17 Nov 95

[FBIS Transcribed Text] PHNOM PENH, Nov 17 (AFP) — At least two tanks, an armored personnel carrier and some 100 heavily-armed soldiers moved into central Phnom Penh late Friday and blocked access to the house of Second Prime Minister Hun Sen, diplomats and witnesses said.

The city was quiet although there appeared to be more than the usual number of soldiers and bodyguards outside the residence of First Prime Minister Prince Norodom Ranariddh.

It was unlcear why the troops had been called in but several soldiers told AFP they had been sent to protect the area.

Hun Sen, who was not at his residence across from the capital's Independence Monument, earlier in the week said he had learned of an assasination plot against him.

Tanks Move Into Central Phnom Penh

BK1811014195 Hong Kong AFP in English
1826 GMT 17 Nov 95

[FBIS Transcribed Text] Phnom Penh, Nov 18 (AFP) — At least two tanks, an armored personnel carrier and about 100 heavily-armed soldiers moved into central Phnom Penh late Friday blocking access to the house of Second Prime Minister Hun Sen, diplomats and witnesses said.

Several soldiers told AFP they had been sent on Hun Sen's orders to protect the area and it appeared the move may have been related to an alleged assassination plot against the co-premier who is also the leader of the formerly communist Cambodian People's Party.

A small group of troops under the command of the Ministry of Interior also went to the home of Prince Norodom Sirivut, who earlier this month was quoted by a Khmer-language newspaper as outlining an assassination plot against Hun Sen, witnesses said.

Prince Sirivut, the half brother of King Norodom Sihanouk and the general secretary of the royalist FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] political party, denied a plot but told AFP the Interior Ministry group, led by Co-Minister of Interior Yu Hokkri, a member of FUNCINPEC, had warned him to leave the country.

"Yu Hokkri said it would be better for me to leave the country to save my life," Prince Sirivut said, "but I said 'no.'"

"If the authorities cannot protect the general secretary of the FUNCINPEC party and the brother of the king, then what kind of country is this?"

Hun Sen, who was not at his residence across from Phnom Penh's Independence Monument late Friday, said last week he had learned of an assassination plot against him that was similar to the one the prince allegedly described to the newspaper.

Sirivut Said Under House Arrest

BK1811031195 Hong Kong AFP in English
0256 GMT 18 Nov 95

[FBIS Transcribed Text] Phnom Penh, Nov 18 (AFP) — The half-brother of King Norodom Sihanouk, Prince Norodom Sirivut, was placed under house arrest Saturday morning in connection with an alleged plot to assassinate the country's second Prime Minister Hun Sen, a senior government official said.

"This morning, under a court warrant and with the agreement of both Prime Ministers, Prince Norodom Ranariddh and Hun Sen, Prince Sirivut was arrested in connection with the terrorist act of planning to assassinate the second prime minister," secretary of state for the Ministry of Information Khieu Kanharith told AFP.

He said the news was to be broadcast shortly on national radio and television.

Prince Sirivut, contacted in his home, told AFP he had received no information that he was under arrest but said "it seems they won't let me go out" referring to a number of heavily armed police outside his home.

He denied having anything to do with a plot to assassinate anyone and said "it is up to them to prove this."

Late Friday night, heavily armed policemen stationed themselves outside Prince Sirivut's home, according to witnesses and diplomats.

Also about 100 heavily armed troops, two tanks and an armoured personnel carrier stationed themselves in the centre of Phnom Penh, blocking access to Hun Sen's residence.

Khieu Kanharith said that had been designed to prevent him from escaping.

Prince Sirivut told AFP that he had been warned earlier by senior officials to leave the country to save his life but had refused to do.

"But I said 'no.' If the authorities cannot protect the general secretary of the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party and the brother of the king, then what kind of country is this," he said Friday night.

Earlier this month Prince Sirivut, who is the secretary general of the royalist FUNCINPEC party, was quoted by a Khmer-language newspaper as outlining an assassination plot against Hun Sen.

Although the prince denied that such a plot existed, Hun Sen said last week that he had learned of an assassination plot against him that was similar to the one the prince allegedly described to the newspaper.

Press Communique on House Arrest

BK1811121595 Phnom Penh National Radio of Cambodia Network in Cambodian 1100 GMT 18 Nov 95

["Press Communique"]

[FBIS Translated Text] Last week, rumors and reports about a plot to assassinate Samdech Hun Sen, second prime minister of the Kingdom of Cambodia's Royal Government [RG], was carried in some local newspapers.

On Friday night, 17 November 1995, the rumors and reports on the assassination attempt reemerged. Therefore, the RG have beefed up security measures around the residence of the samdech second prime minister.

In the ongoing investigation and according to new evidence, the competent authorities have taken preventive measures by temporarily forbidding Prince Kromkhun Norodom Sirivut from leaving his residence pending legal processes by the National Assembly and the competent authorities, in conformity with the Constitution and the laws of the Kingdom of Cambodia.

Sirivut Proclaims Innocence

LD1811123195 Melbourne Radio Australia in English 0900 GMT 18 Nov 95

[FBIS Transcribed Text]d In Cambodia, the half brother of King Norodom Sihanouk has been placed under house arrest in connection with an alleged plot to assassinate Second Prime Minister Hun Sen. An information ministry spokesman said Prince Sirivut was arrested with the agreement of both Hun Sen and Cambodia's first prime minister, Prince Norodom Ranariddh. Evan Williams reports:

[Begin recording] [Williams] Senior government officials confirm Prince Sirivut is under house arrest, accused of complicity in an alleged plot to kill Hun Sen. Prince Sirivut, the secretary- general of Cambodia's power sharing FUNCINPEC [National United Front for Independent, Neutral, Peaceful, and Cooperative Party] Party, denies the charge or any connection with a murder plot. He says he is seeking the support of both the king and the first prime minister. The royal palace has passed him a message from the king to remain calm and within the law as officials apparently prepare to formally charge him. Prince Sirivut says the Interior Minister Yu Hokkri, yesterday warned him to leave the country for his own safety which he refuses to do.

[Prince Sirivut] Until now I am innocent. I don't kill anybody. I don't involve to any plot and so on, so I decide to stay in Cambodia.

[Williams] Heavily armed police have stopped anyone entering or leaving his home and there are fears other prominent critics could be arrested. Evan Williams, Bangkok. [end recording]

Sirivut Says Detention 'Illegal'

BK1911053995 Hong Kong AFP in English 0530 GMT 19 Nov 95

[FBIS Transcribed Text] Phnom Penh, Nov 19 (AFP) — Prince Norodom Sirivut, the half-brother of Cambodia's King Norodom Sihanouk began his second full day under house arrest Sunday, accusing the government of detaining him in his home illegally.

Prince Sirivut, 44, the secretary general of the royalist FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party, was placed under house arrest Saturday for allegedly being involved in what the government says was a plot to assassinate second Prime Minister Hun Sen.

"I am an MP (member of parliament) and what has happened since Friday night is illegal," the prince told AFP by telephone from his (?downtown) Phnom Penh villa that remains surrounded by heavily armed civilian and military police.

"I don't want any confrontation," he said. "I trust and hope that legal action will be respected."

He referred to article 80 of Cambodia's two-year-old Constitution that prohibits the detention or arrest of parliamentarians for any crime with which they are not caught in the act of committing, without a two-thirds vote of the assembly.

The government, however, said the prince had been "invited to stay at home for his own protection" while the investigation of him progressed.

"This measure is intended to provide him with security," Minister of Information Ieng Muli told reporters. "We don't feel that we have violated the Constitution."

One human rights official, who is also an expert on Cambodia's Constitution, sided with the prince on this issue, saying his detention was unconstitutional in both the letter and spirit of the law.

"This is completely illegal," the official said.

The National Assembly was expected to meet Tuesday to consider stripping Prince Sirivut of his parliamentary immunity, Ieng Muli said, adding that the ministry of interior would present "convincing evidence" that Sirivut was personally involved in an assassination plot.

It was unclear whether the prince would be allowed to testify at the assembly session in his defense.

Prince Sirivut, also the chairman of the Cambodian Institute for Cooperation and Peace, has repeatedly said that he was not involved in any plot to assassinate anyone, though a Khmer-language newspaper earlier this month published a story quoting him as outlining such a plot.

"This is all a mistake," he said Sunday. "I didn't do anything."

On Tuesday Hun Sen announced publicly that he had evidence there was a plot to kill him sometime in 1996.

Ieng Muli said he could not reveal what the evidence was until the assembly met, but diplomats familiar with the substance of a Saturday evening meeting between Prince Ranariddh and the diplomatic corps said it includes an audiotape of Prince Sirivut speaking to an unknown second person about a plot to assassinate Hun Sen.

"We do not know who the other party to the conversation is," said one western diplomat. "The government must know or have an idea."

The diplomat said at one point in the tape the prince referred to the other person as "excellency," implying that he was speaking with someone well respected.

The government considered arresting four people in connection with the plot, but on Saturday, decided only to detain Prince Sirivut, according to senior officials.

Prince Sirivut, who is married to a French citizen and whose children are also French, said he was not contemplating leaving Cambodia even if convicted on whatever charges might come from the ongoing investigation.

"Why should I," he said. "I have done nothing. I was born in Cambodia and I will stay here. Leaving the country shows that you are not confident in yourself.

Troops Called To Prevent 'Clash'

*BK1911061395 Hong Kong AFP in English
0600 GMT 19 Nov 95*

[FBIS Transcribed Text] Phnom Penh, Nov 19 (AFP) — Heavily armed, specially trained troops backed by tanks have been called into Phnom Penh to prevent "a very possible armed clash" between police and supporters of detained Prince Norodom Sirivut, a senior government official said Sunday.

Prince Sirivut, half-brother of King Norodom Sihanouk, was put under house arrest Saturday for involvement in an alleged plot to assassinate co-Premier Hun Sen. He has denied the allegations.

"On the night of 17 November there was a very possible armed clash," Minister of Information Ieng Muli told reporters, explaining the presence of about 100 heavily-armed troops backed by five tanks and at least one armored personnel carrier in downtown Phnom Penh late Friday.

On the orders of Hun Sen, the troops and vehicles blocked access to Hun Sen's residence which is across from the capital's towering Independence Monument before being recalled to their bases after five hours, according to soldiers, witnesses and government officials.

The tanks were withdrawn when First Prime Minister Prince Norodom Ranariddh, Prince Sirivut's half-nephew, told Hun Sen they were unnecesarry.

Several government officials have said they were concerned at the image tanks rolling down the streets of Phnom Penh presented to potential investors and tourists.

"It certainly doesn't give the impression of political stability," said one.

Ieng Muli said the government feared violence from supporters of Prince Sirivut, who is the secretary general of the royalist FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party which is paired with Hun Sen's formerly communist Cambodian People's Party (CPP) as the largest members of the country's coalition government.

"Prince Sirivut is an influential person over the army and police," Ieng Muli said.

However, diplomats and associates of the prince, who is also the director of the Cambodian Institute for Cooperation and Peace, said he commanded no real influence over any of the country's armed forces.

"Basically he is the father of three children who is a member of the royal family and a party official," said one associate. "His influence is with unarmed intellectuals not soldiers.

Parliamentary Action Begins

BK2011120695 Hong Kong AFP in English 1134 GMT 20 Nov 95

[FBIS Transcribed Text] PHNOM PENH, Nov 20 (AFP) — Parliamentary action against Prince Norodom Sirivudh, who is accused of plotting to kill second Prime Minister Hun Sen, began Monday, an official said.

The permanent committee of the National Assembly voted to send the prince's case for a vote in the full house, a committee member told AFP.

"We will take the case in to vote," the member said. "It will be a closed session" on Tuesday, he added.

The prince, a half-brother of King Norodom Sihanouk and a member of parliament, has been under house arrest since Saturday, but in order for him to be officially arrested and formally charged, he must be first stripped of his parliamentary immunity.

The prince and others claim his detention violates Cambodia's two-year-old constitution which requires a two-thirds vote of parliament to arrest or detain an MP unless he or she is caught committing a crime.

Monday's permanent committee vote, which was expected, sets the agenda for Tuesday's meeting of the full assembly when the Ministry of Interior will present evidence that the government says implicates Prince Sirivudh in an alleged assassination plot.

Based on the evidence presented, which, according to sources familiar with it, includes a tape of a telephone call or radio communication of the prince discussing a plot with an unknown second person, the assembly may vote to strip the prince of his immunity.

His FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party colleagues, who were meeting Monday, may decide to expel the prince from the party, political observers speculated.

As the committee was voting, Prince Sirivudh's wife, Princess Christine Norodom, a French citizen who works for the United Nations Scientific, Educational and Cultural Organization, arrived back in Phnom Penh from Paris.

She lashed out at her husband's detention calling the move "a political act intended to silence the voice of peace, unity and national reconciliation."

"This shows the impunity with which the principles enshrined in the constitution can be trampled," she said, before leaving in a UN- flagged vehicle that was followed back to her and her husband's home by a police car and pick-up truck carrying a dozen plainclothed policemen.

There were no incidents as she walked into the downtown Phnom Penh villa where her husband and three children have been confined for the past three days.

Khmer Rouge 'Prime Minister' on Reconciliation

BK1011023495 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 8 Nov 95

[Interview with Khieu Samphan, prime minister of the Provisional Government of National Union and National Salvation of Cambodia and chairman of the Cambodian National Union Party, by an unidentified station correspondent; place, date not given — recorded]

[FBIS Translated Text] [Correspondent] Greetings to Your Excellency, the prime minister. In your 18 October 1995 interview, you said the objective of the Provisional Government of National Union and National Salvation [PGNUNS] and the Cambodian National Union Party [CNUP] is to terminate the communist Vietnamese war of aggression and achieve national reconciliation within the framework of a Cambodia endowed with independence and sovereignty. How is this objective being concretely implemented? Could you elaborate?

[Khieu] Yes. As I have already said, the common objective of the PGNUNS and CNUP is to end the communist Vietnamese war of aggression and achieve national reconciliation within the framework of an independent, sovereign, unified, peaceful, and neutral Cambodia with its territorial integrity intact. The concrete implementation of this objective is as follows:

1. All national union forces should be unified with no discrimination against any political persuasion. Absolutely everyone should strive to fight and struggle to bring the communist Vietnamese war of aggression to an end, thus allowing Cambodia to recover peace.

2. The communist Vietnamese puppet regime that communist Vietnam installed in 1979 must be dissolved and a national regime established. This regime should include all Cambodian factions and political parties except the five top nation-betraying ringleaders; namely, Hun Sen, Chea Sim, Sar Kheng, Heng Samrin, and Tie Banh. Why? Because they have committed grave crimes by colluding with communist Vietnam over the past 17 years to do away with our nation, people, and race.

3. The problem of the more than 4 million ethnic Vietnamese must be resolved by sending them back to Vietnam. Why? Because these Vietnamese are invading forces that are in the process of annexing and swallowing Cambodian territory and exterminating the Cambodian race. They have made and are making our country and society plunge into all manner of great irremediable crises. The Communist Party of Vietnam, the Communist Vietnamese Youth League, and the Vietnamese Dac Cong [sapper] forces have mingled with these more than 4 million Vietnamese. They are the muscle that fully occupies and controls the communist Vietnamese puppet administration's system, both military and civilian, and their covert and overt police from Phnom Penh to the provinces, districts, communes, and villages. Hun Sen, Chea Sim, Sar Kheng, Heng Samrin, and Tie Banh as well as the People's Party of communist Vietnam are only smokescreens aimed at fooling outsiders.

4. All treaties and agreements prepared by communist Vietnam for its out-and-out lackeys to sign since its invasion and occupation of Cambodia in 1979 must be considered null and void. Treaties and agreements signed with others by the communist Vietnamese puppets in the name of the People's Republic of Cambodia or the State of Cambodia in violation of Cambodia's national sovereignty must also be considered totally null and void. All of the agreements and treaties concluded with unscrupulous foreign merchants who have, in connivance with the two heads, bought seas, islands, Kompong Som, regions on both sides of Route 4, regions on both sides of the Mekong River, regions in northeast Cambodia, and other places must also be considered null and void because they all constitute the international theft of Cambodian territory.

[Correspondent] Yes. Your Excellency has said that a national regime should be established. What should this regime be like?

[Khieu] Establishing a national regime means creating a regime that is different from the communist Vietnamese puppet regime and that is not dictatorial and fascist like the incumbent regime of communist Vietnam. It will be a regime in which all Cambodian factions and political parties join hands to administer an independent and sovereign Cambodia within a liberal, democratic, multiparty, and free-market regime in which the freedom and right to create associations, express views, write, and demonstrate and strike to defend the interests of each professional group exist.

I would like to take this opportunity to make it clear once again that the Cambodian nation and people, PGNUNS, and CNUP have been struggling only to demand what is within the framework of national independence, sovereignty, and territorial integrity. This is the sacred right of all countries and peoples as clearly stipulated in the UN Charter. The Cambodian nation and people stand firmly on Pancasila [the five Buddhist commandments] and the 10-point Bandung declaration of the nonaligned countries. The Cambodian nation and people, PGNUNS, and CNUP wish to express their profound respect and thanks to all countries near and far that love independence, peace, and justice; that respect the UN Charter and international law; and that do not interfere in the internal affairs of Cambodia.

Ranariddh Reaffirms Official Recognition of PRC

BK1111144295 Phnom Penh National Radio of Cambodia Network in Cambodian 1100 GMT 11 Nov 95

[FBIS Translated Text] A statement by the cabinet of Prince Krompreah Norodom Ranariddh, first prime minister of the Royal Government of Cambodia, says: At a recent audience with a CPC delegation, the prince said the Kingdom of Cambodia will continue officially to recognize only China. The prince first prime minister also recalled a statement made recently by His Majesty that Cambodia would officially recognize only the PRC.

Last month, His Majesty issued a statement rejecting official relations with Taiwan, saying Taiwan is only a part of China.

Indonesia

Commentary: Clinton Absence 'Blessing in Disguise'

BK1811045395 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 18 Nov 95

[Station commentary]

[FBIS Translated Text] With the absence of President Clinton at the upcoming Asia-Pacific Economic Cooperation [APEC] summit in Osaka, PRC President Jiang Zemin's hopes for holding a summit meeting with the U.S. President have been dashed. The two leaders met in Seattle in 1993 and in Bogor in 1994.

President Clinton is unable to attend the Osaka meeting due to a budget row with the Republican-controlled Congress. In fact, the PRC is not happy that its leader cannot meet with the U.S. President because it wants President Clinton to visit Beijing to counterbalance Taiwan President LI Teng-hui's visit to the United States some time ago. Since the Tienanmen incident in 1989, no U.S. leader has visited the PRC despite improved Sino-U.S. ties on the eve of the Osaka meeting. The PRC's disappointment lies not in the fact that President Clinton has no plan to visit Beijing, but such a disappointment would be minimized if the U.S. President was present at the Osaka meeting. The PRC had certainly planned to take advantage of President Clinton's presence in Osaka, especially regarding its status as most favored nation.

As of last Monday, President Clinton still planned to attend the Osaka summit although his visit would have been shortened. But now, that option is ruled out and Vice President Al Gore will represent him.

However, Clinton's absence can be seen as a blessing in disguise because the United States faces many problems at the Osaka summit. First, many Asia-Pacific countries are now having second thoughts on the idea of turning the region into the world's largest free-trade area. Second, is the refusal by the PRC and other Asian countries of the U.S. proposal to discuss not only economic and trade issues, but also security matters.

Government Takes Steps To 'Safeguard' Visitors

BK1011093495 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 10 Nov 95

[FBIS Translated Text] The Indonesian Government finds it necessary to take measures to safeguard the safety of anyone wanting to visit East Timor. A press release issued by the Foreign Affairs Department in Jakarta said the measures have been taken in view of the current situation in East Timor, in which anti-integration groups are bent on creating upheavals. Foreign press also reported that a number of foreign dignitaries had been prevented from visiting East Timor.

The Foreign Affairs Department expressed regret that certain groups, including those living overseas and described by foreign press as activists from several countries, are trying to take advantage of the current situation in East Timor under the pretext of marking the 12 November 1991 Dili incident.

Five More East Timorese Ask To Leave

BK1611130095 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 16 Nov 95

[FBIS Translated Text] Five East Timorese youths forced their way into the French Embassy in Jakarta this morning and requested that they be sent to Portugal following the action by 21 of their colleagues who had requested political asylum at the Japanese Embassy early this week.

In his explanation to reporters today, Ghafar Fadyl, director general of information at the Foreign Ministry, said that, based on the information he received from the French Embassy, the five East Timorese youths did not seek political asylum, as was previously requested by 21 of their colleagues at the Japanese Embassy, but instead asked to be sent to Portugal. As such, it was clear that their request was based on economic reasons.

The Indonesian Government will be consistent in its attitude and will not prevent anyone wishing to leave Indonesia.

Four More East Timorese Enter French Embassy

BK2011055395 Hong Kong AFP in English 0543 GMT 20 Nov 95

[FBIS Transcribed Excerpt] JAKARTA, Nov 20 (AFP) — Four East Timorese penetrated security at the French embassy in a copycat of an exercise by five others who sought political asylum at the embassy last week, the Indonesian government said Monday.

"There are four East Timorese, aged between 18 and 25 years, at the French embassy," Foreign Affairs spokesman Ghafar Fadyl told AFP.

He declined to say whether they have asked for asylum but added that "what is certain, is that they want to go to Portugal." [passage omitted]

Fadyl said the East Timorese were being "processed" but he declined to elaborate.

The youths climbed over the high embassy fence Sunday and spent the night in the mission, sources said.

Philippines

Security at Airports Tightened Against Terrorists

BK1611115895 Manila MANILA BULLETIN in English 13 Nov 95 p 12

[FBIS Transcribed Text] Security at the domestic and international airports has been tightened in view of intelligence reports that Abu Sayyaf leader Abubakar Abdurajak Janjalani is either in Manila or bound for the metropolis to link up with international terrorists.

At the Ninoy Aquino International Airport (NAIA), policemen in black uniforms and armed with automatic rifles have been deployed inside the arrival and departure areas in addition to plainclothesmen, according to Senior Supt. Jose Crisostomo Lalisan, director of the Philippine National Police Aviation Security Command (PNP-ASCOM).

Lalisan said the deployment of more heavily armed policemen belonging to the Special Operations Group (SOG) especially at NAIA is part of the tight security arrangement now in place to thwart terrorism.

Lalisan said the public, especially departing and arriving passengers, should not get alarmed at the sight of heavily armed policemen as their presence is part of security measures to protect them from terrorists and even criminals.

"In international airports in London, Paris, Munich and others, heavily armed policemen are a common sight as part of security measures to prevent terroristic activities," Lalisan said.

Declassified information from the Bureau of Immigration disclosed that there has been "unusual arrivals here of Libyan and Iranian nationals" since September this year.

The same report said two or three Libyan nationals enter the country everyday. It also disclosed the arrival in the country of 10 Iranian officials on September 11 and another group of eight on September 25.

The unusual arrivals of Libyan and Iranian nationals is raising some concern among the authorities in view of the holding of the Asia-Pacific Economic Cooperation (APEC) conference next year where several heads of state are expected to attend.

Lalisan said the PNP-ASCOM intelligence unit is coordinating with the immigration bureau's anti-terrorist task force to monitor the movement of suspected international terrorists who might enter the country. The International Police (Interpol) has provided the immigration bureau with a list of suspected terrorists abroad.

Police Deny Reports Abu Sayyaf Chief in Manila

BK2011083595 Manila MANILA STANDARD in English 16 Nov 95 p 7

[Report by Arkhon Antolin]

[FBIS Transcribed Text] It was a false alarm, after all.

Muslim extremist Abu Sayyaf leader Abdurajak Janjalani is still in Mindanao, the Philippine National Police [PNP] said yesterday denying reports that the dreaded terrorist is in Metro Manila to conduct sabotage operations.

PNP Director General Recaredo Sarmiento II said during an interview that Janjalani "is not here and has never been in Metro Manila for the past three weeks."

He, however, admitted receiving reports from the PNP intelligence that Janjalani and several of his men were trying to move in to Metro Manila for a terror campaign and recruit members at Muslim communities in the metropolis.

The same reports made claim that Janjalani and convicted New York bomber Ramzi Ahmad Yusuf's brother were seen at a Muslim community in Tandang Sora in Quezon City where the Abu Sayyaf leader was allegedly being coddled by residents.

The two allegedly met for a link-up of their terroristic activities. Sarmiento denied that this has ever taken place.

But Sarmiento disclosed that the police are now checking suspected terrorist hideouts and verifying reports that some foreign terrorist groups have already entered the country.

Sarmiento said that up to now he has yet to receive any report from the PNP intelligence community that any terrorist group had already sneaked into the metropolis since earlier reports of these destabilizing groups plan to enter Metro Manila.

The AFP [Armed Forces of the Philippines] is on their usual alert to thwart any move from forces out to sow terror in the metropolis.

MILF Denies Alliance With Abu Sayyaf Group

BK2011135795 Manila MANILA STANDARD in English 16 Nov 95 p 14

[Report by Joe D. Macabalang]

[FBIS Transcribed Text] Cotabato City — The Moro Islamic Liberation Front [MILF] yesterday denied anew military reports that the MILF has allied with the dreaded Abu Sayyaf group to launch "Oplan [Operation Plan] Zero Hour" in Mindanao.

Ghadzali Gaafar, MILF vice chairman for political affairs, accused the military of making a "false" scenario to justify its massive deployment of soldiers in Mindanao.

Gaafar vehemently denied any existence of alliance between the MILF and the Abu Sayyaf, stressing that the two groups have different causes of fighting the government.

"That is not true. We have said time and again that we don't have any plan now to launch offensives. The military is just making a scenario to justify its massive deployment in Mindanao," Gaafar said.

Gaafar claimed that several battalions of Army soldiers have been deployed in Mindanao in the guise of thwarting the reported MILF-Abu Sayyaf oplan zero hour, an offensive allegedly aimed at major government projects like power plants and water systems.

In Maguindanao, more than 20 armored personnel carrier (APC) tanks were seen Tuesday deployed in Sultan sa Barongis Town, site of the $40 multimillion oil drilling project of the Philippine National Oil Company and the Malaysian-based Petronas Carigali.

Reports say the military's Southern Command has deployed several battalions of Army and paramilitary troops in Zamboanga del Sur and Norte where the MILF and Abu Sayyaf would allegedly conduct simultaneous attacks.

Peace Process

Gaafar said the military deployment is "not a good sign" for the ongoing peace process between the government and the Moro National Liberation Front [MNLF], as well as the local peace initiatives between the military and the MILF forces in some Mindanao areas.

The MILF has repeatedly expressed support to the MNLF-GRP [Government of the Republic of the Philippines] peace talks, "provided that it will lead to the granting of real autonomy to the Muslims as stipulated in the Tripoli Agreement."

Some government quarters believe the MILF is orchestrating a possible collapse of the government-MNLF peace talks, the third and final stages of which are set to resume in Jakarta, Indonesia ' on Nov. 27.

But Gen. Raul Urgello, chief of the Maguindanao-based Army's 6th Infantry Division, yesterday expressed optimism the MNLF-GRP peace negotiations will succeed. During his Nov. 6 visit here for the fifth founding day fete of the Autonomous Region for Muslim Mindanao, President Ramos said the MNLF-GRP panels have gained momentum in three levels: diplomacy, national consensus, and negotiation itself.

Thailand

Clinton Absence Adds Impetus to EAEC Talks

BK1811055995 Bangkok THE NATION in English 18 Nov 95 p A3

[Report by Chirawat na Thalang and Yindi Loetcharoenchok]

[FBIS Transcribed Text] President Clinton's cancellation of his visit to attend the summit meeting of Asia Pacific Economic Cooperation [APEC] in Osaka has raised the question of whether Asian nations should form their own regional economic forum.

During all the talks leading up to tomorrow's meeting, Asian officials began to question the raison d'etre of APEC.

A Thai official said that Asian participants were informally discussing a prospective economic forum in which they don't have to worry about the Americans. And one potential forum is the East Asian Economic Caucus (EAEC).

Kopsak Chutikun, director general of the Economic Affairs Department, admitted there would be EAEC talks around the corner.

He said he had heard Japanese officials floating ideas about the expansion of the EAEC, which was first proposed by Malaysian Prime Minister Mahathir Mohamad in 1986, to cover Australia and New Zealand in addition to ASEAN countries, China, Japan, and South Korea.

The proposed forum was swamped by the emergence of U.S.-backed APEC in 1989. The United States strongly resisted it, saying that the forum would draw a line down the Pacific Rim.

President Clinton himself brought about the vision of APEC free trade when he hosted the first APEC summit two years ago.

But with agreement about to be reached, Clinton, will fail to witness the vision bearing fruit as he cancelled his Osaka trip because of strong pressure at home with the fierce debate about the budget.

Although Japan Prime Minister Tomiichi Murayama expressed sympathy about Clinton's predicament, Ryutaro Hashimoto, president of the Liberal Democratic party and the dominant leader of the three-party ruling coalition, warned that the cancellation was "not good news at all for U.S.-Japan relations".

Japan has always been reluctant to join the EAEC, for fear of irritating the Americans. However, more and more Japanese are looking to take on a more aggressive role.

According to the Japanese MANICHI DAILY NEWS, there was speculation in Japanese Government circles that Clinton would not have cancelled his trip if it had been a meeting of North American Free Trade Agreement members.

The paper said that before the Osaka conference, some high- ranking bureaucrats in the Foreign Ministry and the Ministry of International Trade and Industry (MITI) were leaning towards taking the initiative to form a more extensive economic group in the Asia Pacific region outside the influence of the United States.

Some MITI officials have long been seeking to establish a "West Pacific free trade area" which would combine Australia and New Zealand with the EAEC.

The cancellation of Clinton's trip is certain to add fuel to those moves within the Japanese Government, the paper quoted sources as saying.

APEC Summit Termed 'Trial by Fire' for Banhan

BK1911091395 Bangkok THE SUNDAY NATION in English 19 Nov 95 p A3

[Report by Chirawat Na Thalang and Yindi Loecharoenchok]

[FBIS Transcribed Text] Osaka — Prime Minister Banhan Sinlapa-acha's first "trial by fire" will take place today when he joins 17 other world leaders at the one day summit of the Asia Pacific Economic Cooperation [Apec].

The summit should give Banhan ample opportunity to prove himself, particularly as he well knows his own shortcomings and the negative public image he and his seven-party coalition government have.

He is also aware of the frequent comparisons between him and his immediate predecessor, Chuan Likphai, whose image as a clean politician and national leader was well-recognized both locally and internationally.

Although the two share a similar middle-class, Chinese-Thai background, Banhan began as a merchant who had to fight for his business, while Chuan started off as a law academic enjoying an intellectual setting.

One Thai official compared Banhan and Chuan with former U.S. presidents Ronald Reagan and Jimmy Carter, respectively. Carter was known for his detailed study of every issue, while Reagan wanted one-page summaries only.

Banhan, like Reagan, usually asks government officials to brief him on the key issues of their work, while Chuan liked to spend time reading and studying the matters himself.

An official of the Commerce Ministry noted that Chuan, a former commerce minister, had a good knowledge of international trade, particularly the General Agreement on Tariffs and Trade (Gatt), and that his experience was an asset at Apec activities.

Indeed, the former premier's performance at two previous Apec summits — in Seattle, the United States and in Bogor, Indonesia — was impressive and earned him praise for his political credibility as a democratically-elected leader and for his ability to defend and negotiate for national interests.

Consequently, Banhan is under pressure to perform as well as, if not better, than Chuan, and for the past four months he has tried very hard to win the trust and confidence of the public and the world community.

But Banhan's weak points are national economic policy, international trade and foreign diplomacy, and here he must rely on several trusted academics, government ministers and staff.

Also, the prime minister realized that his recent trip to the US to attend the United Nation's 50th anniversary was more of a shoulder-rubbing and flashbulb-popping session.

Unlike the UN mission, in which he gave a five-minute speech and chaired a 30-minute plenary session of the UN General Assembly, today's Apec summit will be a tough challenge.

Thai officials said the premier is "very serious" about the Apec mission, and that he worked hard in preparation. During the past week, they said, he received three intensive briefings from senior officials of the ministries of Commerce and Foreign Affairs, who tried to educate him on Apec's background and the latest progress on Apec negotiations.

According to Kopsak Chutikun, director general of the Foreign Ministry's Economic Affairs Department, the premier was "impressive", and proved a "quick learner".

He said the premier knows Apec issues well and gave clear instructions to the Thai delegation, who arrived here last weekend to prepare for today's summit, to pay particular attention to certain aspects relating to the country's interests.

Thai officials accompanying Banhan on the five-hour flight from Bangkok said he intensively studied Apec files and documents, and tried to familiarize himself with backgrounds of other Apec leaders.

But today the premier will be on his own with other Apec leaders during their informal meeting at the newly-built Geihinkan guesthouse in the Osaka Palace to discuss the future direction of the regional economic grouping.

The summit starts at 9.30 am and breaks for lunch at 12.20 pm. After a brief tour of the Osaka Palace garden and a traditional Japanese tea ceremony, the leaders will return to the meeting room at 2 pm. The meeting ends at 3.30, after which Japanese Prime Minister Tomiichi Murayama will read out the Leaders' Declaration in the presence of the other Apec leaders.

While refusing to disclose Banhan's key points to be made during his five-minute statement at the Apec summit, Kopsak said the text was approved by the premier Friday night after his arrival in Osaka.

He said Banhan would concentrate on the theme "Actions to Achieve a Better Future for the Asia-Pacific Region" which was given by Japan, the host of this year's Apec meeting. Apart from the prepared text, leaders will be allowed only 1-2 minutes to talk each time.

Banhan Views Talks With Vice President Gore

BK2011034295 Bangkok THAILAND TIMES in English 20 Nov 95 p A1

[Report by Anan Khayan]

[FBIS Transcribed Text] Osaka — Prime Minister Banhan Sinlapa- acha did not raise the question of the "blacklist" of Thai politicians suspected of involvement in drug trafficking in his talks with US Vice President Albert Gore.

The premier announced this yesterday after the bilateral discussion, which was held after the APEC summit and lasted half an hour, a 20-minute increase on the initial schedule.

"I didn't raise the matter because of the time limit," Banhan told reporters.

It has long been speculated that Banhan would ask for US confirmation on the issue if he had a chance to have a meeting with the US leader.

A number of Thai politicians, including leading Chat Thai members Watthana Atsawahem and Narong Wongwan, were denied entry visas to the US after they were suspected of involvement in the drug trade.

Washington threatened three months ago that Thai-US relations could become strained if Banhan allowed MPs suspected of involvement with drugs to include in his Cabinet

However, the US vice president, who replaced President Bill Clinton at the Osaka summit, asked for cooperation from Banhan on suppression activities, including drug trafficking.

"I told him that it is our policy to crack down on such illegal activities," he said. Gore also asked about the action taken by Thailand against money laundering, and was informed by Banhan that the government is issuing legislation to curb money laundering.

President Clinton warned last month during his address to the UN General Assembly in New York that the US might consider economic sanctions against countries that tolerate money laundering.

The US vice president also informed the Thai premier of an interest in investing in Thailand's infrastructure, Banhan said.

Prime Minister 'Satisfied' With APEC Outcome

BK2011022095 Bangkok Radio Thailand Network in English 0000 GMT 20 Nov 95

[FBIS Transcribed Text] Prime Minister Banhan Sinlapa-acha was satisfied with the outcome of the Asia-Pacific Economic Cooperation, APEC, meeting, saying that it reflected interests of Thailand. Prime Minister Banhan represented Thailand at the two-day APEC leaders' meeting, which concluded yesterday, while Deputy Prime Minister Amnuai Wirawan headed a Thai delegation to the preceding APEC ministerial meeting in Osaka, Japan.

The prime minister said he was specially satisfied that APEC members agreed on trade liberalization without exception. A key agreement was on allowing member economies to be flexible about how and when they will liberalize sensitive economic sectors like agriculture.

Mr. Banhan said APEC accepted to recognize the important role of the private sector and agreed to form an APEC business council. He said APEC leaders' meeting had exchanged views on the future of the Pacific rim region. The prime minister said after the APEC leaders' meeting he would get prepared for the ASEAN summit to be held in Bangkok in the middle of next month. He said he would hold a preparatory meeting for the event on 29 November.

Surakiat, Central Bank 'Split' Reported

BK1311073795 Bangkok BUSINESS DAY in English 13 Nov 95 p F1

[Report by Oranan Pawiwan]

[FBIS Transcribed Text] A split has developed between Finance Minister Surakiat Sathianthai and leading officials of the central bank regarding moves to support the flagging stock market.

Dr Surakiat said that he had held talks with the President of the Stock Exchange of Thailand (SET), Seri Chintanaseri, over the possibility of lowering the cash requirements for securities purchases in an effort to boost the bearish market.

Dr Surakiat indicated that he and Mr Seri had discussed lowering the initial capital required to buy securities from 40 to 30 percent of the total value of total purchase. But he said any decision to lower the cash requirement would have to be made by Mr Seri and the Bank of Thailand.

"The Ministry of Finance will not intervene in the market, but I think reducing the initial margin might be good for retail investors, and improve market sentiment," he said.

But Deputy Governor of the Bank of Thailand Chamrung Nukhwan ruled out the possibility of a reduction on the grounds that the current rate of 40 percent was suitable.

He said "we must be concerned about the risk to brokers if we extend credit to investors".

Mr Chamrung added that any move to reduce the margin to promote market liquidity was unlikely to overcome negative market sentiment.

"It will not increase liquidity in the market because there are not many new investors to use the credit," he said, adding that, historically, reductions in the capital margin had had little influence on the market.

"We can see that the most recent reduction in the margin from 50 to 40 percent did not increase liquidity. A reduction in the initial margin may be good for investors who have already been using credit, but foreign sellers have been selling so heavily that no amount of buying can offset that."

Dr Surakiat, who has faced increasing complaints from brokers and investors and even some calls for his resignation, earlier said that the market should be allowed to correct itself, and supported the SET when it last week rejected a series of demands from investors. His comments come at the end of a week which saw foreign-led selling of Thai stocks shave 52.33 points off the SET index. The selling also sparked calls from major financial institutions for the Government and the SET to support the flagging market.

Dr Surikiat's comments represent something of a turnaround and conflict with statements made by SET President, Mr Seri.

On Friday, Mr Seri urged caution in extending credit to investors in order to prevent over-exposure to the market.

Earlier in the week he had rejected the possibility of stock market investors gaining expanded access to credit.

Finance Minister Interviewed on Stock Market

BK1711100895 Bangkok THE NATION in English 17 Nov 95 p B14

["Excerpts" of an interview with Thai Finance Minister Surakiat Sathianthai by National News Editor Sorayut Suthasanachinda "over Nation Radio"; place, date not given]

[FBIS Transcribed Text] [Sorayut] How do you feel with this quite unfortunate incident (Wiwat's suicide attempt) [reference to the attempted suicide of a failed investor at the Stock Exchange building on 15 November]?

[Surakiat] I am very sorry with what has happened. I don't want to see it ever happen again.

[Sorayut] What was the real reason?

[Surakiat] I really don't know. But he could be facing several sources of pressure.

[Sorayut] There were protests against the government at several points simultaneously.

[Surakiat] From the primary report that I have received, I am not sure yet. Khun Wiwat is under some kind of pressure, but it is different to see what the protesters are demanding because he is not trading stocks with margins.

[Sorayut] The criticism going on now is that the government, particularly the Finance Ministry, the Stock Exchange of Thailand [SET] or the Bank of Thailand, missed hitting the target in solving the problem. Won't the Bt [baht] 30-billion package designed to help retail investors by pledging stocks with the Krung Thai Bank backfire in light of the continuing depressed market?

[Surakiat] The measure is going to take effect very soon. I have said that over the next two or three days, we'll see details of this measure. The private sector is discussing how the measure can be implemented. They are talking about details and are busy doing so late every night. At midnight yesterday they also reported to me about the progress.

I have to say that this measure is initiated by the private sector and they seek support from the government. After we took a look at it, we agreed with it. I think it is direct and to the point, although it is a short-term measure.

[Sorayut] What is exactly the nature of the problem now — lack of liquidity or confidence? Despite your measure to cushion the market, the people still say that the government has not hit the point.

[Surakiat] I believe that the problem has to do with liquidity. Since the retail investors are calling for the abolition of the maintenance margin system or forced sales, this reflects the lack of liquidity. They do not have money to pay for the call margins. So we have to help the retail investors fill up this gap.

Although the package will have to go through the brokers, we want to assure that it should actually benefit the retail investors who need liquidity support. I want to assure that the government is not sitting still and doing nothing.

Investors no longer have money because the stocks they purchased at high prices got stuck up. What we can do is to add a mechanism to increase the liquidity, so that the retail investors can refinance their portfolios.

[Sorayut] But with the bear market, adding more liquidity could only exacerbate the problem. The stocks have been falling flat and refinancing may not help.

[Surakiat] I don't think it is going to make the problem worse. It should help relieve investors who got stuck up with their stock at high prices. That is the purpose of the measure to cushion the investors.

But I must admit that all the details of how the measure will work have not yet been announced. In the absence of details, people are not quite certain how the measure will help. The impression I've got from the private sector is that they are certain this measure will prove useful.

[Sorayut] Most people complain that the government merely listens to the brokers or the big-time investors and ignores the retail investors.

[Surakiat] Well, I want to assure that the measure that we are talking about will help those who are in deep trouble. This is a short-term solution. As for the long-term measure, we have already made the approval for the formation of the Securities Finance Corporation, which will help expand the loan window for the finance and securities companies. Yet this takes time before we can set the institution up. At this point we have to push out the short-term measure first, to help the retail investors.

[Sorayut] Do you think that the lack of confidence in the government has to do with the stock market fall? Does the fall of 297 points in the SET index since July 10th reflect this lack of confidence?

[Surakiat] Let me put it this way. The stock market fall has to do largely with the external factors, which are more critical. The Malaysian market, which is much larger than ours, is also taking a beating, with a daily volume of only Bt2-Bt3 billion. They are also in deep trouble. The Philippine market is no better. Several neighbouring markets are facing the same predicament.

But I must admit that the news reports surrounding the market are also confusing. Don't call it the image factor, rather it is the analysis which is creating confusion. Well, there is the image and it might have some impact.

I think investors take into account the economic factor, the financial condition and the third-quarter corporate performance in their decision-making process.

[Sorayut] The retail investors would like the authorities to scrap the maintenance margin system.

[Surakiat] The maintenance margin system is a universal principle. It is a standard principle which helps protect the retail investors and the financial institutions from going under. I have consulted with the Stock Exchange of Thailand several times as to whether it can be relaxed or not. But we have to keep the principle in place. The question is whether we can relax it.

Over the past two to three weeks we have been discussing this issue. But I have to say that the stock exchange is a private-sector organization. It is independent. It does not have to report to me. I am not the chairman of the stock exchange. Khun Seri Chintanaseri, the exchange president, works with his board members. And they don't agree with the idea to scrap the maintenance margin system.

[Sorayut] How about forced sales? All the problems are creating chain-like consequences. You believe that it may be possible to relax the maintenance margin system. Is it possible that the measure will help solve all the problems?

[Surakiat] Yes, I do believe that the measure that we are pushing out will help alleviate the problem.

[Sorayut] How about confidence?

[Surakiat] I have been constantly trying to improve myself. Let's take a look at all the things I have done. I have pushed out more than 10 measures, long-term ones aimed at developing and strengthening the capital market. They are measures that both the local and foreign investors support. We are not doing this alone but have consulted with the private sector before pushing the measures out. Several measures are the outgrowth of several years of consideration. Some of the measures are new. So I want to assure that all the policies and measures are the result of our work, of what I have been doing all along.

[Sorayut] Do you agree that the measures you try to push out and image are two different questions?

[Surakiat] Yes, I do believe so. I would like to emphasize that regarding the problem of confidence, please take a look at the outcome of the measures or the outcome of our policy. You have to see whether we actually implement the measures that we have pushed and announced to develop the capital market or the stock exchange. I also want to assure the effectiveness of this measure to add more mechanism to help improve the liquidity.

[Sorayut] But people just don't believe?

[Sorakiat] Yes (laughing).

Report Views Money Laundering, Organized Crime

BK1711045295 Bangkok THE NATION in English 16 Nov 95 p A 4

[Report by Lindi Loetcharoenchok: "How 'Dirty Money' Is Made to Look Legitimate"]

[FBIS Transcribed Text] The ongoing debate on whether Thailand should enact an antimoney laundering law has aroused public interest and raised questions on the amount of illicit money derived from local and international crime that is laundered annually into the Thai economy.

Britain's National Criminal Intelligence Service estimates that dirty money laundered globally amounts to $500 billion every year, and a US Senate report in 1992 estimated that $100 billion was being laundered annually in the United States alone.

In Thailand, no official figures on illicit money being laundered are available. However, the lack of information on this and the growing concern on its negative effects on the economy and financial institutions has prompted three academics from Chulalongkon University's Faculty of Economics to undertake a probe.

Nuannoi Trirat, Phasuk Phongphaichit and Sungsit Phiriyarangsan spent six months researching into illegal money generated separately from drug trafficking, oil and arms smuggling, and prostitution.

Their preliminary findings have revealed the existence of huge amounts of money being laundered in Thailand annually, including several hundred billion baht.

During a recent interview, Sungsit revealed that the reasons given by the National Peace Keeping Council for staging the February 1991 coup convinced them to undertake a study into the matter.

At that time the coup plotters, he said, had cited widespread corruption in the Chatchai government and the widening income disparity as the main motives for launching the putsch. The junta subsequently froze the assets of several Cabinet ministers, whom they accused of being "unusually rich".

Intrigued by the coup plotters' arguments, Phasuk and Sungsit decided to embark on a comparative study to find out if corruption is more rampant in an elected government than in a dictatorship. Their findings, published in a book on corruption in Thailand which sold out quickly revealed that the extent of corruption is the same in both systems.

Although Nuainoi, Phasuk and Sungsit later identified various areas of organized financial crime, including gambling and illegal lotteries where money laundering is active they decided to concentrate their initial research on drug trafficking, oil and arms smuggling and prostitution.

Their work appeared in four preliminary documents that were initially presented at an academic conference organized by the Faculty of Economics' Political Economy Centre in late September.

Those who participated in the forum which included officials from the Bank of Thailand, Finance Ministry, Office of Narcotics Control Board and Securities Exchange Commission, found the figures on illegal money reasonable, according to Sungsit.

The three academics plan to conclude their reports and present them in another conference next year before compiling and publishing them in a book. They have also decided to undertake research in illicit money derived from other financial crimes such as illegal lotteries.

Nuannoi's report on oil smuggling revealed that illegal proceeds went up from Bt [baht] 2.5 billion in 1991 to Bt8 billion in 1994, a three-fold increase in only three years.

Diesel fuel, which is used primarily in the production sector, is the most commonly smuggled petroleum product. In Thailand, diesel fuel has a 61 per cent market share compared to gasoline's 14 percent.

The smuggling is mainly confined in the coastal provinces, 70 per cent around the Gulf of Thailand with the rest in the Andaman Sea. The profits from this illicit activity are later used as capital to set up gas stations in the North, Northeast and the Central plains.

The smuggling usually takes place outside the 12-mile territorial boundary. In 1991, 874 million litres of diesel fuel were estimated to have been smuggled into the country. The figure rose to 1.860 billion litres in 1993 and reached three billion litres last year.

The illegal activity, said Nuannoi, is under the control of prominent local and national politicians, both in the government and in the opposition. The government's reduction by half of the Bt2 excise tax rate did not effectively reduce the amount of smuggled diesel fuel.

Nuannoi's other study on drugs showed that Bt34 million was earned from the trade in marijuana in 1991, Bt5-9 billion annually from amphetamines, and Bt2.125 billion yearly from heroin.

Thailand has ceased to be the main production base of opium and heroin but its well-developed road and air network makes the country a major route for drug smuggling.

In her paper, she said the drug trade involves people from different walks of life, including politicians, government and military officials. This group of criminals usually develop a strong power base and often have their subordinates involved directly in the illegal activities, while they oversee operations from a distance.

Sungsit undertook a research in illegal arms sales to ethnic Burmese guerrilla groups and the Khmer Rouge. He estimated that the former spent Bt10-15 billion in 1992 but the figure has since risen to at least Bt20 billion. The Khmer Rouge was estimated to have spent Bt8-10 billion, which was the estimated amount earned from gems and timber concessions in the border areas it controls.

After the end of military dictatorship in 1973, the birth of a democratic society gave many local influential people, or chao pho, and illegal arms and drug traders, the opportunity to become members of Parliament, provincial councils and municipal councils.

"Many of them have become ministers MPs and powerful politicians in both the government and the opposition," revealed Sungsit's 56-page study.

"Until now, the political system has not been able to eliminate the influence and illegal network of arms smuggling. Instead, the current political system has allowed illegal arms sales to flourish and expand," it noted.

Those involved in illicit arms sales are police and military officers, politicians, gems and timber businessmen, arms traders, and the governments of several foreign powerful countries such as China and the US.

Sungsit said most criminals are involved in more than one illegal activity and that profits from illegal weapons sales have been distributed "to politicians, businessmen, police and military officers and a large number of civilians."

"Some of the proceeds have been used to establish political power bases in the North and Northeast. These politicians are either MPs or members of provincial and municipal councils. Businessmen often use the illegal money to support some politicians for their own economic and political gain," the report noted.

Suppression of illegal arms sales is difficult as the trade involves influential people who have both power and money. Moreover "the policy of the government and security agencies that try to safeguard national peace and security by inciting permanent conflicts among Thailand's neighbours is a key factor that allows illegal arms sales to continue," wrote Sungsit.

"Lastly, illicit arms and narcotics networks have been well established for a long time and the activities involve many people. They also have strong and widespread national connections and an international organizational network," he concluded.

An interesting finding emerged from Phasuk's detailed study on the Economics of Transnational Workers. Her report surprisingly found out that proceeds from prostitution constitutes the largest amount of illicit capital. Estimated total revenue from prostitution in Thailand is Bt450-540 billion annually, about half of the government's fiscal budget.

The figure given excludes money remitted by Thai sex workers overseas, especially from Germany, Japan, Taiwan and the US, and from other illegal unskilled workers abroad. It does not include the money earned by agent's trafficking prostitutes and illegal workers in and out of the country.

"To estimate the total revenue from prostitution in Thailand, we take a low estimate of 150,000-200,000 prostitutes, a daily revenue of Bt1,000-1,200 per person, and 25 working days per month," the report said.

"The calculation yields a total of Bt450-540 billion a year. Of this total, Bt180 billion, or about 30 per cent, is generated by 50,000 Burmese girls," it added. "Total earnings from agricultural exports in 1994 were Bt130 billion. So the upper estimate shows income from prostitution as being more than four times the value of the country's agricultural export earnings," it said.

Phasuk's study revealed that remittance from external Thai workers have drastically increased from Bt485 million in 1976 to Bt34 billion (figures provided by the Bank of Thailand).

"From the early 1980s, remittances from external Thai migrants have brought in foreign exchange which helped fill in the trade gap and reduce the current account deficit. In the late 1980s, total remittances from workers accounted for 17 per cent of the trade deficit. In 1994, this ratio was 15 per cent," she wrote.

A study on Thai prostitution in Japan had other shocking information. Based on an estimated figure of 60,000 Thai prostitutes, an average client fee of 30,000 yen, and an average of 1.5 clients a day, the gross annual income generated by Thai prostitutes for Japanese pimps and businessmen amounts to 810,000 million yen or $8.1 billion or Bt2.025 trillion.

In addition, the income generated by the trade in women by agents both in Thailand and Japan amount to another Bt17.5-20 billion annually (calculated from 3-4 million yen in fees on 25,000 new women annually). In Japan, a Thai prostitute can receive at least one-third of the total income she generates, with the rest going to agents and mamasans.

Like the three other crimes stated earlier, the illegal export of workers and domestic and overseas prostitution requires the involvement of influential and powerful people. Moreover, "underworld groups" such as the Yakuza gang, agents, and procurers are also involved.

The existence of massive dirty money have prompted Nuannoi, Phasuk and Sungsit to urge the government to expand provisions in the draft anti-money laundering legislation to include illicit proceeds earned not only from drug trafficking, but also from prostitution, arms and oil smuggling and corruption.

During a recent joint press interview, the three academics said most of the illicit money was laundered through banking and financial institutions stock exchange markets and huge investments such as land and real estate development projects. Some of the money even made its way into Thai politics.

They said it was "very easy" to launder illicit revenue. "These criminals don't care whether the investment they put into will be profitable ... as long as the money is laundered through the process and comes up as clean money for them," said Phasuk.

They said an anti-money laundering law that covers all aspects of crime would be the right weapon to "combat economics crimes", help improve the Thai economy at large, and give justice and fairness in economic competition to people in legal businesses.

Phasuk and Sungsit said illegal money affected the distribution of income because the money was acquired without paying taxes, which people in legal businesses could not avoid.

"Only a few, those who have accumulated huge amounts of illicit money and power, have opposed it [the draft bill], and argued that the legislation would hurt the Thai economy. In fact, they are afraid that they would not be able to use the illegal wealth to buy votes," said Sungsit.

Vietnam

Hanoi Hails Goals of APEC Summit

BK1711051895 Hanoi Voice of Vietnam in English 1000 GMT 16 Nov 95

[Station commentary]

[FBIS Transcribed Text] Leaders from 18 APEC [Asian-Pacific Economic Cooperation] member countries are meeting in Osaka to seek ways to further promote regional economic cooperation; laying the groundwork for the region to enter the 21st century with major economic achievements.

Because of its important goals, the APEC summit has been attracting attention from the world at large.

Japan, the host country, has made thorough preparations for the summit, specially in security for the participants.

Delegates will discuss 15 major questions relating the plan for free trade, which has already reached upon by the APEC member countries. The questions of customs, taxation, services, investment, intellectual property rights, and the implementation of the (?Uruguay) round of talks are high on the conference's agenda.

APEC leader will also study working programs to achieve an extended free trade area within the coming 25 years. It is estimated that the plan will be achieved either by the year 2010 or 2020. It will contribute to further development in the Asia-Pacific.

Nong Duc Manh Receives PRC Peace Delegation

BK1611132095 Hanoi Voice of Vietnam in English 1000 GMT 15 Nov 95

[FBIS Transcribed Text] Chairman of the National Assembly Nong Duc Manh received in Hanoi on Tuesday (Li Pai Chao), the head of the Chinese People's Association for Peace and Disarmament. Chairman Nong Duc Manh welcomed the Chinese delegation's visit, considering it a contribution to strengthening the relations between the two countries.

Communique: Do Muoi To Visit PRC 'Soon'

BK2011014795 Hanoi VNA in English 1529 GMT 19 Nov 95

[FBIS Transcribed Text] Hanoi VNA Nov. 19 — General Secretary of the Communist Party of Vietnam Do Muoi will soon pay an official visit to China.

The relevant communique released by the Party Central Committee's External Relations Commission further says that the visit is to be made at the invitation of Jiang Zemin, general secretary of the Communist Party of China and president of the People's Republic of China.

Vo Van Kiet Issues Seaborne Smuggling Directive

BK1611132495 Hanoi NHAN DAN in Vietnamese 1 Nov 95 pp 1, 4

[FBIS Translated Text] Prime Minister Vo Van Kiet issued Directive No. 701/TTg on "the struggle against seaborne smuggling" on 28 October.

The directive says: Seaborne smuggling has been on the rise recently and has had a negative impact on socioeconomic development, national defense, and security protection. The main cause of this situation must be traced back to the failure of ministries, sectors, and people's committees at all levels to fully realize the danger and the long-term impact of smuggling, to strictly enforce state control, and to work out resolute and adequate measures to deal effectively with smuggling.

The prime minister instructed ministries, sectors, and provincial and city people's committees to formulate plans and adopt resolute and adequate measures to deal with smuggling, particularly seaborne smuggling, regarding this as an important task for the 1995-96 period.

National Assembly Office Discusses Legislation

BK1811130395 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 17 Nov 95

[FBIS Translated Text] The National Assembly Office held a conference in Hanoi this morning 17 November, to discuss the implementation of National Assembly resolution on legislation. Attending were representatives from agencies responsible for drafting and researching draft laws.

Comrade Vu Mao, head of National Assembly Office delivered a report on the Ninth National Assembly's legislative work since the beginning of its term of office. The National Assembly legislation program was established on the basis of major policies of the party and state, and the socioeconomic plans for 1996-2000. The program focuses on essential tasks, and prepares the foundation for the legislative work of the next National Assembly.

Australia

Minister on U.S. Agriculture Subsidies Proposals

BK1711095395 Melbourne Radio Australia in English 0630 GMT 17 Nov 95

[From the "International Report" program]

[FBIS Transcribed Text] For the first time since the 1930's, there is a sign the United States may be ready to dismantle its program of agricultural subsidies. The U.S. Congress is considering a bill which would slash subsidies by more than a billion dollars. In Osaka for the APEC [Asia-Pacific Economic Cooperation] leaders' summit, Australia's trade minister, Bob McMullan, has been briefed on the new legislation by White House cabinet ministers. He told John Shovelan that economic reality is catching up with the farm protectionists:

[Begin recording] [McMullan] From the preliminary information we have got, it appears that the congressional decision is going to make major cuts in agricultural subsidies. And the most direct and obvious tangible benefit to Australia, cuts in the funding available in the next couple of years for the Export Enhancement Program [EEP], but other long-term changes that should mean Australia is competing in a more even, fair environment with United States agriculture. [sentence as heard]

[Shovelan] EEP's an evil word in Australia. Are you suggesting that the U.S. Congress is about to dismantle something that's been around for a long time?

[McMullan] Well, not dismantle but make substantial cuts. There will be cuts to the EEP for wheat, but the economic logic of the United States' position and the need to cut their budget means they have cut back even more than the World Trade Organization commitments would require. So that is going to mean that the subsidies that cut prices of wheat products, grain products, for our farmers will be less and therefore they should get better prices and better returns on their effort, which they deserve.

[Shovelan] What stage is this at? Has it actually gone through the Congress?

[McMullan] It appears that the conference between the Senate and the House appears to have agreed to this. We're waiting for the two houses to confirm it, and then the president to sign it off. So we are not there, and there is still some details to pursue, and I have to say we have not finished our lobbying efforts yet. There is some more to shine this up, and there are some areas that are important to us are still not finalized, particularly dairy, and so it may be that we need to do some more lobbying in Washington and we are keeping a very close eye on that at the moment. But it does appear to us that the logic which we have known for a long time — that if the United States wants to get its budget under control it has to look at the areas where it is wasting money, including agricultural subsidies — the logic of that argument is beginning to prevail, and some of these subsidies are being wound back and that will be in the interest of Australian farmers and we welcome it.

[Shovelan] Can you give us an idea of the sort of size of the cut that it is being looked at?

[McMullan] Well, it does appear that there will be hundreds of millions of dollars less subsidies than there otherwise would have been. [end recording]

New Zealand

Agreement Reached With S. Africa on Embassies

MB1611145195 Johannesburg THE STAR in English 15 Nov 95 p 3

[FBIS Transcribed Excerpt] Wellington, New Zealand — South Africa and New Zealand will establish full diplomatic links as part of cementing what New Zealand Prime Minister Jim Bolger described as a relationship that is in "extraordinarily good shape."

President Nelson Mandela and Bolger met yesterday for talks that ranged from contacting British Prime Minister John Major about the Nigerian situation, to signing an Antarctic co-operation agreement and the opening of embassies in one another's countries.

Mandela announced a full embassy would be established in Wellington.

This will replace the arrangement whereby South Africa's High Commissioner in Canberra serves New Zealand as well.

Bolger said New Zealand would reciprocate as soon as possible adding this would be of assistance to South Africans who wish to travel to New Zealand and who currently have to get documents through the British high commission. [passage omitted]

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